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Great Britain

*Further Correspondence Respecting the
Renewal of Diplomatic Relations with Mexico*

1884

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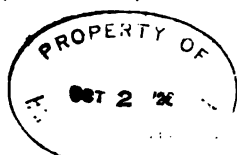
OF

DIPLOMATIC RELATIONS WITH MEXICO.

1884.

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CONFIDENTIAL.

Further Correspondence respecting the Renewal of Diplomatic Relations with Mexico.

N^o. 1.

Sir S. St. John to Earl Granville.—(Received January 1, 1884.)

(No. 36. Confidential.)

My Lord,

Mexico, December 4, 1883.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 23 of the 1st November, 1883, marked Very Confidential, inclosing a Memorandum of a conversation between Lord Edmond Fitzmaurice and Señor Mariscal, together with a copy of a Project of an Agreement for the renewal of diplomatic relations between Great Britain and Mexico.

Should it be considered possible to accept M. Mariscal's proposition, that all the old Treaties have been abolished by acts of war, I would venture to suggest that it would be prudent to settle the terms of the new Treaty before giving up that of 1826. France, Germany, Italy, Spain, and Belgium have in turns endeavoured to negotiate Treaties, but Germany alone succeeded by accepting the objectionable Article (No. XVIII). I feel assured that the Mexican negotiator would insist upon the acceptance of a similar Article in any Treaty with Great Britain, if we had previously abandoned our old Treaty.

The Articles of the English Treaty of 1826 to which the Mexican Government principally object are those which in all commercial matters assure to British subjects the same rights and privileges as those accorded to Mexican citizens. M. Fernandez told me that they feared the Americans would take advantage of any acknowledgment of the validity of the old English Treaty to claim the same benefits. I answered that it was not English policy to seek any exclusive privileges, but what we desired was to be placed on the same footing as others, and that I felt assured we should be satisfied with a Treaty based on the condition he had always promised, that no nation whatever should be favoured at our expense.

I have, &c.

(Signed) SPENSER ST. JOHN.

No. 2.

The Law Officers of the Crown and Dr. Deane to Earl Granville.—(Received January 23.)

My Lord,

Royal Courts of Justice, January 22, 1884.

WE are honoured with your Lordship's commands signified in Sir Julian Pauncesote's letter of the 11th instant, stating that he was to transmit to us the papers relating to the question of the renewal of diplomatic relations between Great Britain and the Republic of Mexico.

That those papers mainly consisted of the Treaties, Conventions, and Agreements which had been concluded between this country and Mexico since the promulgation of the Mexican Constitution of 1824 and of Memoranda thereon.

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That it would be seen that the subjects of those Treaties might be classified under three heads—1. Commerce; 2. Slave Trade; 3. British claims.

1. That in regard to the Treaty of Commerce, it was outside the scope of the present letter, and need not now be alluded to.

2. With respect to the Slave Trade, that Traffic being now entirely suppressed in Mexico, the Treaty of 1841 might be said to have lapsed.

3. That the Memorandum drawn up by Sir E. Hertslet on the 1st November, 1881, analyzes the nature of the various Conventions concluded between Great Britain and Mexico for the settlement of the British claims.

That with regard to those claims, it should be borne in mind that it was in consequence of the arbitrary and vexatious conduct of the authorities of the Republic of Mexico towards British, French, and Spanish subjects that those Governments concluded a Convention on the 31st October, 1861, of which a copy was inclosed, in which they agreed to have recourse to combined operations against Mexico, with a view to demand from those authorities more efficacious protection for the persons and properties of their subjects, as well as a fulfilment of the obligations contracted towards those Governments by the Mexican Republic.

That in 1864 Maximilian was duly elected Emperor of Mexico and duly recognized by this country.

That statements with regard to the British claims had from time to time been formally presented to the Mexican Government, and that that fact was recorded in the Convention of the 26th June, 1866, concluded with the Government of the Emperor Maximilian, by which it was also agreed that a Mixed Commission should be appointed for their investigation and settlement.

That that Commission sat in Mexico from August 1866 until March 1867, when its sittings were temporarily suspended.

But that in August of that year diplomatic relations between Great Britain and Mexico were suspended owing to the determination taken by the Republican Government of Mexico, which succeeded that of the Empire, no longer to recognize the Agents of any Power which had acknowledged the Emperor Maximilian. In recognizing, however, the Empire, Her Majesty's Government simply adhered to its traditional policy of recognizing what was represented to it at the time as being the *de facto* Government of Mexico.

That the object of the Convention of 1866 was to refer to a Mixed Commission all claims which had not been dealt with in previous Conventions, whilst it declared to be valid all such as had already been recognized by the two Governments.

That the nature of those claims was described in the Memoranda by Sir E. Hertslet of the 5th November, 1881, and the 9th March last, to the former of which was attached the text of the different Conventions which had been concluded for the settlement of the British claims.

That the Government of Her Britannic Majesty and that of the Republic of Mexico had long desired to see the present estrangement between the two countries removed by a renewal of the friendly relations formerly existing between them.

That negotiations had been on foot for some time past with that object, but that the Mexican Government had hitherto insisted upon attaching two conditions to the renewal of relations: (1) that all existing Treaties between the two Governments should be considered as abrogated; and (2) that no claims which arose before the resumption of friendly relations should be made the subject of diplomatic representation or demand.

That, at the same time, the Government of the Republic did not repudiate their obligation in regard to those claims.

That negotiations had recently taken place between the two Governments, and Special Envoys had been appointed with a view to ascertain on what basis diplomatic relations should be re-established, and how far the difficulties raised on either side could best be removed.

That accordingly a draft of a "Preliminary Arrangement" between Great Britain and Mexico had been prepared, of which a copy was transmitted therewith.

That our attention was called to the 1st Article, which provided that Mexico would proceed forthwith to the examination of international claims and debts, without reference to the disputed Conventions, which, for the purpose of the Agreement, should be considered as abandoned.

That our opinion was requested as to whether, having regard to the importance

to Imperial interests of a renewal of relations between the two countries, the abandonment of the Conventions in question by Her Majesty's Government would be justified, and could be effected without incurring any liability from British subjects claiming any interest thereunder.

That on that point we were referred to our Report of the 20th May, 1882, in which we expressed our concurrence in an instruction to Her Majesty's Consul at Smyrna, wherein it was laid down in regard to the question of the Smyrna quays, that "the settlement of such questions is an act of State, in which Her Majesty's Government, however anxious to secure full justice for the British subjects aggrieved, incur no obligation towards them individually, and must be guided not only by the particular facts of the case, but also by considerations of public policy and convenience."

In obedience to your Lordship's commands we have the honour to report—

That we do not think that Her Majesty's Government would incur any legal liability to the persons whose claims are the subject of Conventions between the Mexican and British Governments, in case the latter Government should agree to the abrogation of such Conventions. It is to be observed that the claims of the individuals interested against the Mexican Government are not created by the Conventions.

All that the Conventions do is to create an obligation as between the two Governments for the payment in the prescribed manner.

And it is, we think, competent for the Governments concerned to put an end to this international agreement.

At the same time, it would be a strong exercise of authority, which would probably be much criticized, and which the Government would be bound to justify. And in certain circumstances such a measure might give rise to an overwhelming equitable claim, that the debts which were the subject of the abrogated Conventions should be discharged by the State.

In the present case the circumstances are, no doubt, peculiar. The claims are of long standing, and one Convention has been substituted for another, as the Mexican Government have proved unable or unwilling to fulfil their obligations.

And so long as diplomatic relations remain unrenewed the British creditors of Mexico have no prospect of seeing the terms of the Conventions carried out. Moreover, the Mexican Government does not appear to be so anxious to renew diplomatic relations that any conditions can well be imposed.

Under these circumstances, it may well be that the best thing that could be done in the interest even of the creditors would be to enter into such an arrangement as that proposed. We have pointed out the considerations which appear to us to govern the determination of the question, but it is hardly within our province to say whether the abandonment of the Conventions by Her Majesty's Government "would be justified."

We have, &c.
(Signed) HENRY JAMES.
FARRER HERSCHELL.
J. PARKER DEANE.

No. 3.

Sir S. St. John to Earl Granville.—(Received February 5.)

(No. 1.)

My Lord,

Mexico, January 5, 1884.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 26 of the 30th November, 1883, informing me that the question of formulating a counter-proposal to that forwarded by M. Mariscal was under consideration.

I called yesterday on M. José Fernandez, and he informed me that he had received M. Mariscal's explanations as to his reasons for having telegraphed to be recalled. He appears to have reported that Sir John Walsham had made him a visit with a letter of introduction from Lord E. Fitzmaurice, and a copy of M. Mariscal's Project of Agreement, and that after having discussed various points with him, Sir John had declared that Her Majesty's Government could not renew relations with Mexico until the question of the bondholders' debt had been settled.

M. José Fernandez, after consulting with the President, has instructed M. Mariscal to address a note to the Foreign Office to inquire whether the declaration of Sir John Walsham was made on the part of Her Majesty's Government, and at the same time to request a reply to his Project of Agreement. On hearing the result they would then instruct him as to what course he should pursue.

I told M. Fernandez that I was surprised to hear M. Mariscal's account of his interview with Sir John Walsham, but that I could assure him there was not, as he appeared to suppose, any intention of breaking off negotiations; in fact that the latest despatch I had received from your Lordship mentioned that the question of a counter-proposal being made to M. Mariscal was under discussion.

M. Fernandez expressed his satisfaction at the prospect of a counter-proposal being made, as they were anxious to learn the views of Her Majesty's Government. He hinted that M. Mariscal's *amour-propre* had been wounded since his arrival in England; he had thought that he, a Minister of Foreign Affairs, going abroad to settle a question, would have found no difficulties, and that all questions would have been arranged without any delay.

It is probable that either M. Mariscal or M. Fernandez is in error in mentioning the bondholders' debt as the one to which Sir John Walsham referred; it was more probable that he spoke about the Convention Debt.

I have, &c.
(Signed) SPENSER ST. JOHN.

Nó. 4.

Sir S. St. John to Earl Granville.—(Received February 5.)

(No. 2.)

My Lord,

Mexico, January 5, 1884.

THE receipt of the Report of the Committee of Mexican Bondholders on the state of the negotiations with the Special Envoy of the President of the Republic of Mexico induces me to make some remarks on the subject. M. Rivas, who arrived in Mexico yesterday, is a man totally unfitted to carry on an important negotiation, and, if reports be correct, was more solicitous on the subject of his own pecuniary interests than of those of his country.

Fresh proposals have lately been made to the Government by a responsible English house to take the arrangement of the debt into their own hands, and settle it without the interference of those who treat it as a speculation. These proposals are still before the President, and he has promised to discuss the question shortly.

The state of the Mexican Treasury was such that unless relief came immediately there was danger of a complete collapse. The relief came in the form of a temporary loan from the National Bank of nearly 6,000,000 dollars, to be repaid after February next by fully 5 per cent. of the customs duties. As, however, but an inconsiderable portion of this loan is to be given in cash, the necessities of the Government will be soon as pressing as ever.

M. Noetzlin, an agent of the Franco-Egyptian Bank, arrived here on the 5th instant, with the object, it is reported, to settle their financial affairs with the Mexican Government on a more substantial basis, and to arrange for a more permanent loan; as this loan would require to be quoted on the European Stock Exchanges, it is said that M. Noetzlin requires a settlement of the English debt before concluding the new arrangement.

The pecuniary difficulties of the Mexican Government arise from the lavishness of the authorities in granting subventions for every class of public works. These subventions would not probably be given were not the friends of Government largely interested in them. The revenue of Mexico is amply sufficient for all legitimate expenditure, and if ever authorities, careful of the financial interests, are installed in power, the Republic will not only be able to pay its way without borrowing, but will possess a surplus to meet the interest of the Public Debt.

I have, &c.
(Signed) SPENSER ST. JOHN.

Sir S. St. John to Earl Granville.—(Received February 5.)

(No. 8. Commercial.)

My Lord,

Mexico, January 5, 1884.

I HAVE just been informed by M. Coutouly, the French Minister, that his Government had directed him to lay before the Mexican Government the Project of a Commercial Treaty which they were willing to sign. This Project contains the Article of the German Treaty on the subject of diplomatic action, which M. Coutouly has for the last year been so vehemently denouncing. He informs me that he suggested this course to his Government, as he feared that if they further opposed the acceptance of this Article, Germany might gain over them some commercial advantage.

Article XV of the proposed Treaty declares that no differential duties shall be levied by either country; whereas Congress has lately voted a Law which provides for slightly lower duties on goods imported in vessels under the Mexican flag.

On hearing of the passing of this Law the French Government telegraphed to their Minister to protest against it, and to declare they would sign no Treaty which did not contain Article XV. I do not think M. Coutouly has, as yet, carried out these instructions, as he is aware that the Mexican Government are not in any way anxious to sign Commercial Treaties except on their own terms.

This surrender on the part of the French Government, after so many protestations, will not tend to render our own negotiations less difficult.

I have not yet seen a copy of the proposed French Treaty.

I have, &c.

(Signed) SPENSER ST. JOHN.

No. 6.

Mr. West to Earl Granville.—(Received February 11.)

(No. 13. Commercial.)

My Lord,

Washington, January 28, 1884.

I HAVE the honour to report to your Lordship that the Senate has refused to ratify the Mexican Reciprocity Treaty by a vote of 39 to 20, a two-thirds vote in its favour being required. A motion to reconsider it was then made. An Agreement in the meanwhile has been signed with the Mexican Representative here, by which the time for the ratification of the Treaty has been extended six months, or until the 20th July next.

I have, &c.

(Signed) L. S. SACKVILLE WEST.

No. 7.

Earl Granville to Sir S. St. John.

(No. 4 A.)

Sir,

Foreign Office, February 23, 1884.

SEÑOR MARISCAL, the Special Envoy from Mexico to this country, called at the Foreign Office to-day, by appointment, and was received by Lord Edmond Fitzmaurice, M.P., on my behalf.

His Lordship stated to Señor Mariscal that Her Majesty's Government continued to desire the re-establishment of diplomatic relations with Mexico on a permanent and regular basis, and that the mention of the subject in the Queen's Speech at the opening of Parliament was the best proof of that desire and of the importance attached to it. This, Lord Edmond Fitzmaurice observed, he had no doubt had been appreciated in Mexico, and Señor Mariscal replied that it had. Lord Edmond then went on to say that he was now in a position to convey to Señor Mariscal my views on the draft Agreement which he had sent to this Office in October last, and a copy of which was communicated to you in my despatch No. 23, Very Confidential, of the 1st November following.

The proposals embodied in that draft had been examined with a cordial desire to find in them the basis of a settlement. Nevertheless, while Her Majesty's Government were prepared to make considerable concessions in the direction desired, and while they understood the difficulties in which the Mexican Government was placed, there were certain points in the draft which they could not accept. It contained, Lord Edmond Fitzmaurice pointed out, two principal requests:—

1. That Her Majesty's Government should agree not to ask for the application of the Treaties and Conventions which existed between the two countries in the month of December 1861, to any case which might have arisen after that date; and

2. That Her Majesty's Government should agree not to raise or advance any claim whatsoever for acts anterior to the date of the proposed Agreement.

Lord Edmond Fitzmaurice said that Her Majesty's Government were prepared to make considerable concessions in regard to the Conventions, but that they could not agree to the general waiver of their diplomatic rights, which was objectionable in itself and would introduce a dangerous precedent into international law.

His Lordship then read to Señor Mariscal, furnishing him at the same time with two copies, the draft Agreement, copy of which was sent to you in my despatch No. 27, Very Confidential, of the 31st December last, and of which I now annex further copies, which he stated Her Majesty's Government desired to propose as a counter-project to the Mexican draft Agreement above referred to, adding that he hoped that the Mexican Government would recognize the large concessions which Her Majesty's Government propose to make and would meet it in a similar spirit. Lord E. Fitzmaurice also thought it right to point out to Señor Mariscal that under the Agreement now proposed the Mexican Government would undertake to make provision for the payment of claims, and that it could only be on the performance of this obligation that a new Treaty would be concluded. If, therefore, the Mexican Government failed to perform this obligation, it would be competent to Her Majesty's Government to denounce the Agreement and revert to the *status quo ante*, but his Lordship added that he felt sure that this necessity would not arise, as Her Majesty's Government had full reliance on the sense of justice of the Mexican Government.

Señor Mariscal then took his leave.

I am, &c.
(Signed) GRANVILLE.

No. 8.

Sir S. St. John to Earl Granville.—(Received February 28.)

(No. 6.)

My Lord,

Mexico, January 30, 1884.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 27, Very Confidential, containing a copy of a draft of a preliminary arrangement between Great Britain and Mexico.

It appears to me that if this arrangement be accepted it will settle all difficulties on a very satisfactory basis. It is probable, however, that the Mexican Government may wish to limit the duration of the benefits to be derived from the third clause, under the impression that we may never care to sign a Treaty which does not completely meet our views. If a limitation of time be accepted it will be merely adjourning difficult discussions.

I have, &c.
(Signed) SPENSER ST. JOHN.

No. 9.

Sir S. St. John to Earl Granville.—(Received February 28.)

(No. 7. Confidential.)

My Lord,

Mexico, January 30, 1884.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 28 of the 31st December, 1883, approving of the observations I made to M. Fernandez in a conversation with that gentleman.

I have frequent opportunities of meeting M. Fernandez, and we talk continually on subjects which interest the two countries. He one day remarked that both the President and his Ministers were anxious for a renewal of relations with England, as they felt that English opinion was the only one that had any influence with the Americans.

As M. Fernandez had previously been insisting that they could not sign any Treaty without the Article which the German Government had accepted relative to the limitation of diplomatic interference, I replied that I agreed with him in thinking the only foreign opinion which carried weight in the United States was that formed by the English people, but why was it then, when they acknowledged the value of our moral aid, that the Mexican Government wished to place us in a position of inferiority *vis-à-vis* to their northern neighbours? They had never thought of inserting such an Article in their Treaty with the United States; why, therefore, should they seek to do so in any Treaty negotiated with Great Britain?

M. Fernandez did not reply immediately, but then said something about the exceptional position of the United States.

In my last interview with his Excellency the President, he was very emphatic in his declaration that relations must be renewed, and went so far as to intimate that it was in the permanent interest of his country to do so, as England was the only Power which the United States were afraid to place in a position hostile to them.

I have, &c.
(Signed) SPENSER ST. JOHN.

No. 10.

Sir S. St. John to Earl Granville.—(Received February 28.)

(No. 12. Commercial.)

My Lord,

Mexico, January 30, 1884.

I HAVE the honour to acknowledge the receipt of the despatch No. 8, Commercial, Confidential, of the 17th December, 1883, inclosing an extract from a Confidential Report by Mr. Crowe relative to the commercial relations of France and Mexico.

There is one point in this Report which requires notice; referring to the Article in the German Treaty which limits the right of diplomatic intervention, Mr. Crowe observes, "The United States have not ratified a similar one as yet." The fact is, as the American Minister once remarked to me, the Mexican Government have never dared to make such a proposal to the United States, and it would never be listened to if they did.

I have, &c.
(Signed) SPENSER ST. JOHN.

No. 11.

Messrs. Valpy, Chaplin, and Peckham to Earl Granville.—(Received March 1.)

My Lord,

19, Lincoln's Inn Fields, London, February 29, 1884.

REFERRING to our letter of the 16th August last, and the reply which your Lordship was good enough to send thereto, we shall be greatly obliged if your Lordship could inform us whether we can make any further communication to our clients on the subject of this correspondence, having regard to the fact that diplomatic relations now appear to be re-established with the Mexican Government.

We have, &c.
(Signed) VALPY, CHAPLIN, AND PECKHAM.

No. 12.

Mr. Currie to Messrs. Valpy, Chaplin, and Peckham.

Gentlemen,

Foreign Office, March 6, 1884.

I AM directed by Earl Granville to acknowledge the receipt of your letter of the 29th ultimo, and to state that diplomatic relations have not been renewed between this country and Mexico, and that, therefore, his Lordship can only refer you to the letter from this Department of the 23rd August last.

I am, &c.
(Signed) P. CURRIE.

No. 13.

Sir S. St. John to Earl Granville.—(Received March 17.)

(No. 9.)

My Lord,

Mexico, February 16, 1884.

I HAVE the honour to inclose the translation of a Decree increasing by 5 per cent. the import duties on goods introduced into Mexico. This increase is to take effect on the 15th of next May.

The Finance Minister, Señor Fuentes Muñoz, being unable to face the financial difficulties of the situation, resigned, and was succeeded by General de la Peña, the Director of the Custom-house at Vera Cruz. His first measure was to increase the import duties, which were previously too high, and his second to endeavour to raise what has the characteristics of a forced loan, to the amount of 1,000,000 dollars, on the security of the additional 5 per cent. on the customs duties.

As the amount raised by this loan is only calculated to meet the pressing expenses of about six weeks, it is reported that the new Minister is contemplating a tax on capital, to be called an Extraordinary Contribution. Should the system of forced loans and extraordinary contributions recommence the advance of Mexico must be checked, as capitalists will scarcely invest their money in a country where they are exposed to such extortions.

These financial difficulties are evidently the result of a reckless administration of the revenues, which, properly expended, would be ample to meet every legitimate requirement.

I have, &c.
(Signed) SPENSER ST. JOHN.

Inclosure in No. 13.

Extract from the "Monitor Republicano" of February 16, 1884.

(Translation.)

THE text of the Decree by which President Gonzalez adds 5 per cent. to the customs duties on and after the 15th May is as follows:—

"In accordance with the authority granted to the Executive by the Law of the 26th May it is declared that the contingency provided for has arisen, and that it is advisable to make the following Decree:—

"Article 1. The import duties paid at the coast and frontiers of the Republic shall be increased 5 per cent.

"Art. 2. The delay of three months which the clause in Article 2 of the said Law of the 26th May requires in making this increase will be reckoned from the date of this Decree to the 15th May next, when the additional 5 per cent. will be levied.

"Given at the Palace of the Executive, 12th February, 1884."

No. 14.

Sir S. St. John to Earl Granville.—(Received March 25.)

(No. 10.)

My Lord,

Mexico, February 27, 1884.

I HAVE the honour to acknowledge the receipt of the cypher telegram of the 25th instant, informing me that the document inclosed in your Lordship's despatch No. 27 had been handed to the Mexican Envoy.

I have, &c.

(Signed) SPENSER ST. JOHN.

No. 15.

Sir S. St. John to Earl Granville.—(Received March 25.)

(No. 11.)

My Lord,

Mexico, February 27, 1884.

IN my despatch No. 9 of the 16th February I informed your Lordship that the Minister of Finance was endeavouring to raise money in the form of a forced loan. This measure, however, proved so unpopular that it was set aside, and money was ultimately obtained from the banks.

I have, &c.

(Signed) SPENSER ST. JOHN.

No. 16.

Sir S. St. John to Earl Granville.—(Received May 5.)

(No. 18.)

My Lord,

Mexico, April 3, 1884.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 4 A of the 23rd February, 1884, containing an account of an interview between Lord Edmond Fitzmaurice and Señor Mariscal on the occasion of the presentation to the latter of the counter-proposal of Her Majesty's Government for the renewal of relations.

I awaited the delivery of the President's Message before calling on Señor Fernandez, as I wished previously to know in what terms his Excellency would refer to the pending negotiations. Señor Fernandez informed me that he had received from Señor Mariscal a copy of the counter-proposal, together with a despatch containing his opinions on the document. He considered it inadmissible, as it reasserted the existence of Conventions which the Mexican Government declared no longer to exist. Señor Mariscal added that he did not consider this the last word of Her Majesty's Government, who, he thought, were trying to gain time in the hope that the question of the debt might be previously settled. M. Fernandez said that he agreed with M. Mariscal as to the counter-proposal being inadmissible, and had consulted with the President whether they should telegraph to M. Mariscal that opinion, or whether they would direct him to await further instructions. They had decided to direct him to remain and await further orders.

Having listened to all M. Fernandez wished to say on the subject, which was but a repetition of his previous communications, I asked him whether his objections did not, in reality, only touch the form in which the document was drawn up. He had acknowledged that the Government of Mexico ought to pay its debts, and that evidently one of the first steps to be taken was to know what they really owed to British subjects. He had also expressed a strong desire that a Treaty of Peace, Commerce, and Navigation should be signed between the two nations, and he had on several occasions stated that the most-favoured-nation clause was to be given in its most ample form. Therefore there was little in the substance of the counter-proposal to which he objected.

I asked M. Fernandez why the Mexican Government did not immediately take steps to find out what was the real amount due by instituting an inquiry into the claims of British subjects. He appeared to agree to this necessity; and on the other points I had referred to he had no objections to make, but still he insisted that all the Conventions and Treaties must be considered as annulled.

I would take the liberty to point out to your Lordship that the claims of British subjects are so numerous and of so considerable an amount that to insist on the Mexican Government settling them before entering on the negotiations for a Treaty would probably delay any settlement for years. The state of the Treasury at this moment is that of bankruptcy, and the Government is resorting to every expedient to raise the money necessary to carry on the different services. It is certain that from this Administration no money will ever be received, though they may not object to bind their successors.

M. Fernandez showed unusual friendliness of manner throughout our interview, and it was agreed that another project, founded on that of Her Majesty's Government, should be drawn up and discussed between us. Should it appear at all likely to be acceptable to your Lordship, I will forward it.

The first thing to be arrived at appears to me to be the renewal of relations. The settlement of the Public Debt and of private claims will be much easier when there is an authorized channel through which they may be officially or unofficially pressed. I believe it to be the desire of the President that relations should be renewed before his term of office expires, and it is probable that he would accept any carefully-worded Agreement which was not opposed to the public declarations of the Administration.

The elections which determine the choice of a President will take place in June, and then the President-elect acquires great influence. It is expected that General Porfirio Diaz will be chosen, and he has shown the most friendly disposition towards the Special Mission.

I have, &c.
(Signed) SPENSER ST. JOHN.

No. 17.

Sir S. St. John to Earl Granville.—(Received May 5.)

(No. 19.)

My Lord,

Mexico, April 4, 1884.

I INCLOSE a translation of the paragraph of his Excellency the President's Message which relates to the Public Debt. It gives no explanation of the recent negotiations in London. Of one thing, however, I feel assured, that under this Administration no settlement of the debt will be arrived at which does not afford very considerable advantages to all those who are employed in bringing about that settlement. Instead of placing the business in the hands of a responsible house, it has been as yet intrusted to agents who have no financial character to lose, and who have, therefore, made use of it to carry on lucrative speculations on the Stock Exchange.

I have, &c.
(Signed) SPENSER ST. JOHN.

Inclosure in No. 17.

Translation of that part of the President's Message which relates to the Public Debt.

ON the 15th May of the past year the Executive presented to the consideration of Congress the first suggestions respecting the Public Debt, which resulted in the Law of the 14th June of the same year. In conformity with that Law, the Executive has endeavoured by every means in its power to attain the result sought for, in conformity with the favourable condition of our actual political circumstances, and with what the decorum and good name of the Republic demanded. Unfortunately, these efforts have not yet given the satisfactory result which was sought for, stumbling over obstacles of such a nature as have been thought insuperable, but which will never weaken the firm purpose of the Executive to give the most prompt and favourable termination to this affair, and to preserve unassailable not only the interests but the credit of the Republic.

No. 18.

Sir S. St. John to Earl Granville.—(Received May 19.)

(No. 21. Very Confidential.)

My Lord,

Mexico, April 28, 1884.

I HAVE the honour to inform your Lordship that a M. Ramon Fernandez has been appointed as the Mexican Representative in France, and leaves shortly for his post. He is also, I am informed, intrusted, in conjunction with the Franco-Egyptian Bank, with powers to arrange the Mexican Debt. M. Fernandez's financial reputation is not such as to inspire confidence among those who know him, and the Franco-Egyptian Bank has not, it is thought, sufficiently avoided engaging in speculative transactions.

As I have before pointed out, the Mexican Government is at this moment bankrupt, and possesses neither the power nor the will to pay anything to the bondholders, and the sole object of the present project is to make some specious arrangement with the bondholders, which will enable the Bank either to float a loan or obtain a market for Mexican bonds by a guarantee of certain payments of interest. The present Government goes out of office on the 1st December, and will be therefore ready to make arrangements which they will not be called upon to fulfil.

The next President is almost certain to be General Diaz, and he, I am informed, strongly disapproves of the bondholders making any arrangement with the present Administration, as he knows it is but a scheme to raise money for the use of the present occupants of office.

The sole object of the present renewed proposals to the bondholders is, I fear, but a stock-jobbing speculation, in which certain members of the Government are interested with the Directors and agents of the Franco-Egyptian Bank.

I am informed that this Bank proposes to take a loan of 20,000,000 dollars at, it is reported, 25 per cent., and keep back a portion of the capital to meet the interest of the Mexican Debt for a certain period. It is thought that the certitude of the payment of some interest will send the bonds up to a price which would enable the Bank to get rid of its new loan at a profit; at the same time, its friends are reported to be quietly buying stock, in order also to reap the benefit of the rise.

Those, therefore, who represent the Mexican bondholders would do well to remember that they are about to deal with the Representatives of a moribund and discredited Government, and that the new Administration may be unwilling to ratify arrangements made with the sole object of increasing the fortunes of unscrupulous speculators.

The elections for the next President take place in June, and if the election of General Porfirio Diaz be then secured, it would be prudent for the bondholders to await his advent to office before entering into any permanent arrangements.

I have, &c.

(Signed) SPENSER ST. JOHN.

No. 19.

Sir S. St. John to Earl Granville.—(Received May 19.)

(No. 22. Very Confidential.)

My Lord,

Mexico, April 28, 1884.

I HAVE the honour to inform your Lordship that after several interviews with M. Fernandez on the subject of the Preliminary Agreement for the renewal of relations, I drew up a project which I thought might meet the views of both Governments. On handing it to him, I stated that I had no authority whatever to make this proposal to the Mexican Government, and that it must for the present be considered as merely a private suggestion of my own. Some days later M. Fernandez called, and left with me a counter-proposal. On examination I found it contained several points which could not be accepted, and pointed out my objections to them. He promised to lay these before his Excellency the President, and last week he called and asked whether we could not include in a Secret Article the views of the Mexican Government. I replied that I did not see the necessity of a Secret Article, as I could embody in a Confidential despatch the

meaning attached by Her Majesty's Government to the different Articles of the Agreement. He informed me that his Excellency the President, whilst willing to accept my proposal with some modifications and necessary explanations, thought it would be best before proceeding further to ascertain the views of Her Majesty's Government, and he requested me to forward the several documents to the Foreign Office.

I have the honour to inclose a copy of my proposal, as well as a translation of M. Fernandez's counter-project.

The opening paragraph differs principally from the project submitted to M. Mariscal in leaving out the first few lines, which contain, in the opinion of the Mexican Government, matters of controversy, and do not appear absolutely necessary.

Article I refers to the claims of British subjects, and may seem not to be sufficiently precise in explaining how the proved claims are to be met, but legislative sanction in this country can be procured to any measure the Government desire to carry out, or neglect, as the will of the President appears to be the only law recognized in this Republic. The presence of a Legation in Mexico would be of service in keeping before the Government the necessity of carrying out the stipulations of this Article in a satisfactory manner.

The claims of British subjects extend back for forty years, and amount to very large sums, and will require a lengthened examination before a just settlement can be arrived at, so that to defer the renewal of relations until the conclusion of this inquiry would be to adjourn the renewal perhaps for years.

It must not be forgotten that the present Government is not capable of paying any claims; by its financial mismanagement it has plunged the country into a state of bankruptcy, temporary it is probable, but which is likely to last until the end of the present Administration.

In M. Fernandez's Article I it is stated that the Mexican Government will make of itself an inquiry into the claims without any diplomatic interference. I told him that that proposal was inadmissible, as the English Government could not give up its diplomatic right to watch over and support the interests of Her Majesty's Government.

Article II is the same as in the counter-proposal.

Article III. The first sentence is the same, but as M. Fernandez pointed out that their Treaty with the United States was only for six years, and that with Germany for eight, he thought that it was necessary to introduce a limit, and proposed two years as ample time in which to negotiate a Treaty. I worded the second sentence so as to secure the advantage of the favoured-nation clause for any period of time during which it might be granted to other nations. M. Fernandez, however, said they could not consent to so indefinite an Article, but added that the time would naturally be extended in the Treaty.

M. Fernandez began his fourth Article with the words, "In virtue of the non-subsistence of the old Treaties, Conventions, and international arrangements between Mexico and Great Britain." I pointed out to him that Her Majesty's Government did not accept this view of the question, and would not, therefore, agree to an Article worded in that form, but that your Lordship might perhaps accept Article IV in my proposal.

As it is not probably the intention of Her Majesty's Government to insist on the literal carrying out of the old Treaties and Conventions, I think that Article IV might meet the views of both Contracting Parties. It appears useless to insist on preserving these old arrangements, when the suggested Agreement would place the creditors in the favourable position of not only having their claims acknowledged afresh, but of having the advantage of diplomatic support.

The acceptance of the suggested arrangement would show a remarkable change of view from the time when M. Fernandez first addressed his note to me in July last. In that he proposed a Protocol in which Her Majesty's Government were to acknowledge the non-subsistence of all our international arrangements with Mexico from the date of the European intervention, and the abandonment of all claims of British subjects on the Mexican Government.

The despatch which it is proposed to address to the Secretary of State on the exchange of the Agreement would explain that the first Article, in mentioning the amounts which have already been acknowledged, referred particularly to the balances due under former Conventions. And that, whilst reserving its diplomatic right to support when necessary the past claims of Her Majesty's subjects, and

considering this present Agreement as sufficient to protect the interests of the claimants, Her Majesty's Government understood by Article IV that in the future it was not intended to support any claim under the provisions of the old Treaties and Conventions, which, after the signature of the present international compact, would be considered as no longer binding. The Conventions authorized an interference in the internal affairs of the country, which could not at present be attempted.

The reason why M. Fernandez so much insisted on this explanatory despatch was that he feared that British subjects might bring up claims for compensation for having been denied the treatment of citizens of Mexico secured to them by Treaty. It is a remarkable fact, however, that I have not as yet heard of a single claim for injuries done to a British subject since the cessation of diplomatic relations nearly eighteen years ago.

I think that the advantages of my suggested project are that, first, it secures the acceptance of the point of view upheld by Her Majesty's Government that the Treaty and Conventions only cease to be binding on the signing of a new compact, and not from the date of the intervention in 1862; and, secondly, it secures to the creditors the official acknowledgment of the balances due of the Convention Debt, and to the claimants an official promise of inquiry and settlement. The form of the inquiry would probably be more satisfactorily settled by the influence of the Mission than by any previous arrangement.

I have introduced the question of the explanatory despatch as M. Fernandez assured me that his Excellency the President was anxious that every point should be clear to prevent future misunderstandings, though I do not see that it is very necessary.

After the weakness shown by the Representatives of the European Powers in abandoning all their Treaties and claims, and the readiness they show to give up even their diplomatic rights, it was difficult to make the authorities here believe that we would not ultimately do the same. I told M. Fernandez that my suggested Agreement, I thought, went as far as it was possible to go in our desire to meet the views of the Mexican Government, and that whilst Her Majesty's Government might accept it, they most certainly would not go a step beyond it.

I have, &c.

(Signed) SPENSER ST. JOHN.

Inclosure 1 in No. 19.

Proposal of Sir S. St. John.

WHEREAS the Governments of Great Britain and Mexico are desirous to re-establish diplomatic relations between the two countries on the most cordial footing, and in a manner consistent with the honour and the interests of both nations; and whereas the said Governments have each of them appointed a Special Envoy accredited to the other of them with the object of entering into negotiations for that purpose:

The following Preliminary Arrangement is agreed to by and between the High Contracting Parties:—

I. The Government of Mexico agree to institute an inquiry into all the pecuniary claims of British subjects, and to make provision for the liquidation of the amount found due, as well as for the payment of those amounts which have already been acknowledged.

II. The High Contracting Parties agree to negotiate a new Treaty of Peace, Commerce, and Navigation, which shall exclusively govern the Conventional relations between them.

III. Pending the conclusion of such new Treaty, the two countries will extend to each other the treatment of the most favoured nation in all matters whatsoever. It is understood, however, that this most-favoured-nation clause is limited in its duration to the period of time agreed to by Mexico in her Treaties with other countries.

IV. Pending also the conclusion of the Treaty referred to in Article II, it is agreed by the High Contracting Parties that this present arrangement will be considered as the only diplomatic Agreement binding on the two Governments.

Inclosure 2 in No. 19.

Counter-Proposal by M. Fernandez.

(Translation.)

WHEREAS the Governments of Mexico and Great Britain desire to re-establish diplomatic relations between the two countries on the basis of the greatest cordiality, and in a manner conformable with the honour and interests of both nations, and whereas each of the said Governments has named a Special Envoy accredited to the other with the object of entering into negotiations for this purpose:

The High Contracting Parties have agreed on the following Preliminary Arrangement:—

Article I. The Mexican Government will, of its own accord and without any further intervention of the British Government, make the following dispositions:—

(1.) It will order an impartial investigation to be made in regard to all the money claims of British subjects which are based on acts of the Federal Government of Mexico anterior to the date of the exchange of the ratifications of these Preliminaries.

(2.) It will make arrangements for the liquidation of the sums which may be found to be due, as also for the payment of those which are already recognized by the same Federal Government.

Art. II. The British Government, on its side, will examine impartially, and of its own accord and without any further intervention of the Mexican Government, all the money claims of Mexican citizens based on acts of the British Government anterior to the date of the exchange of the ratifications of these Preliminaries, and will order the liquidation and payment of the sums which may prove to be due them.

Art. III. The High Contracting Parties agree to concede reciprocally to each other, for two years counting from the date of the exchange of the ratifications of these Preliminaries, the treatment of the most favoured nation in every particular. This stipulation does not hinder the two Governments from drawing up immediately a regular Treaty of Peace, Friendship, Commerce, and Navigation on the same basis of the most-favoured-nation treatment.

Art. IV. In view of the non-subsistence of the old Treaties, Conventions, and international Arrangements between Mexico and Great Britain, the stipulation contained in the first paragraph of the third Article of these Preliminaries, or in the other case the Treaty of Peace, Friendship, Commerce, and Navigation of which mention is made in the said third Article, will in future exclusively govern the the Conventional relations between the two Governments, so long as no new Treaties, Conventions, or Arrangements are concluded.

Art. V. These Preliminaries will be ratified respectively in accordance with the Constitutions of each country, and the ratifications will be exchanged

No. 20.

Señor Mariscal to Lord E. Fitzmaurice.—(Received May 19.)

(Unofficial.)

Dear Lord E. Fitzmaurice,

73, Queen's Gate, S.W., May 17, 1884.

AS I promised, at the interview with which you favoured me to-day, I inclose copies of a project and letter of Sir Spenser St. John, which have been communicated to me by M. Fernandez. I had the honour to explain to you that my object was to ascertain what was the comprehension of the term "pecuniary claims" used by Sir Spenser, instead of the different words contained in the preamble and 1st Article of the counter-project which I received from you.

Hoping that I may be kindly informed when you are prepared to converse on the matter again, I remain, &c.

(Signed)

IGN^o. MARISCAL.

Inclosure 1 in No. 20.

Draft of Agreement.

WHEREAS the Governments of Great Britain and Mexico are desirous to re-establish diplomatic relations between the two countries on the most cordial footing, and in a manner consistent with the honour and the interests of both nations, and whereas the said Governments have each of them appointed a Special Envoy, accredited to the other of them, with the object of entering into negotiations for that purpose:

The following Preliminary Arrangement is agreed to by and between the High Contracting Parties:—

Article I. The Government of Mexico agree to institute an inquiry into all the pecuniary claims of British subjects, and to make provision for the liquidation of the amount found due, as well as for the payment of those amounts which have already been acknowledged.

Art. II. The High Contracting Parties agree to negotiate a new Treaty of Peace, Commerce, and Navigation, which shall exclusively govern the Conventional relations between them.

Art. III. Pending the conclusion of such new Treaty, the two countries will extend to each other the treatment of the most favoured nation in all matters whatsoever.

Inclosure 2 in No. 20.

Sir S. St. John to Señor Fernandez.

Cher M. Fernandez,

Le 18 Avril, 1884.

JE crois qu'en ajoutant un paragraphe à l'Article III, et avec l'addition de l'Article IV, il ne pourrait y avoir le moindre malentendu, et que nous pourrions arranger l'affaire sans retard.

Je voudrais bien finir avec les Préliminaires. J'ai écrit les Articles sur l'autre page.

Toujours, &c.
(Signé) SPENSER ST. JOHN.

Inclosure 3 in No. 20.

Draft of Articles III and IV of Agreement.

ARTICLE III. Pending the conclusion of such new Treaty, the two countries will extend to each other the treatment of the most favoured nation in all matters whatsoever. It is understood, however, that this most-favoured-nation clause is limited in its duration to the periods of time agreed to by Mexico in her Treaties with other countries.

Art IV. Pending also the conclusion of the Treaty referred to in Article II, it is agreed by the High Contracting Parties that this present Arrangement will be considered as the only diplomatic Agreement binding on the two Governments.

No. 21.

Mr. Currie to Mr. Bouverie.

(Confidential.)

Sir,

Foreign Office, May 20, 1884.

I AM directed by Earl Granville to transmit to you, for the confidential information of the Committee of the Council of Foreign Bondholders, the accompanying despatch from Her Majesty's Special Envoy in Mexico in regard to the debt of that Republic.*

I am to request that this despatch may be returned to the Foreign Office when done with.

I am, &c.
(Signed) P. CURRIE.

No. 22.

Lord E. Fitzmaurice to Señor Mariscal.

Dear Señor Mariscal,

Foreign Office, May 21, 1884.

I BEG leave to acknowledge the receipt of your letter of the 17th instant, inclosing copies of a proposal and letter from Sir S. St. John, which have been communicated to you by M. Fernandez.

I shall lose no time in laying your communication before Lord Granville, and I shall have the honour of addressing a further letter to you on the subject.

Believe me, &c.

(Signed) EDMOND FITZMAURICE.

No. 23.

Sir S. St. John to Mr. Jervoise.—(Received May 23.)

(Extract.)

Mexico, May 3, 1884.

I FORGOT to mention that in the explanatory despatch with which it was proposed to accompany the suggested project, in dwelling on the first Article, we might introduce some distinct view of the way in which Her Majesty's Government understood that the balances of the Convention debts were to be settled. I might use the singular, as the latter Convention may be considered to have superseded the former.

No. 24.

Earl Granville to Sir S. St. John.

(No. 15. Confidential. Ext.)

Sir,

Foreign Office, May 31, 1884.

IN reply to your despatch No. 22, Very Confidential, of the 23th ultimo, I have telegraphed to you this day that the draft project for the renewal of relations between this country and Mexico, which you had drawn up and communicated to Señor Fernandez, was approved by Her Majesty's Government, with the exception of the last paragraph of Article III, the omission of which you are instructed to press upon the Mexican Government.

Full instructions for your guidance in this matter will be forwarded to you by mail.

I am, &c.

(Signed) GRANVILLE.

No. 25.

Earl Granville to Sir S. St. John.

(No. 16.)

Sir,

Foreign Office, June 2, 1884.

I TRANSMIT herewith, for your information, a copy of a letter addressed to Lord E. Fitzmaurice by Señor Mariscal, and marked Unofficial, relative to the pending negotiations for the renewal of diplomatic relations with Mexico.*

I am, &c.

(Signed) GRANVILLE.

* No. 20.

No. 26.

Sir S. St. John to Earl Granville.—(Received June 6.)

(No. 26.)

My Lord,

Mexico, May 16, 1884.

I HAVE the honour to inform your Lordship that the Reciprocity Treaty between the United States and Mexico was voted by the Mexican Senate in secret Session on the 14th instant. I do not know what influence was brought to bear on the Government to produce this result, but only on the 11th instant I was informed by the Acting Secretary of State for Foreign Affairs that the Government had decided to defer the consideration of the Treaty to the Sessions which are held in September.

I have, &c.

(Signed) SPENSER ST. JOHN.

No. 27.

Earl Granville to Sir S. St. John.

(No. 17. Confidential.)

Sir,

Foreign Office, June 7, 1884.

YOUR despatch No. 22, marked Very Confidential, of the 28th April last, containing a Report of your recent communications with Señor Fernandez as to the form to be adopted in drawing up the proposed Preliminary Agreement for the renewal of relations between this country and Mexico, has been received and laid before the Queen.

Her Majesty's Government have learned with great satisfaction that the President of Mexico was willing to accept the Project prepared by you (a copy of which accompanied your despatch), with some modifications and necessary explanations; but as his Excellency expressed a wish, before proceeding further in the matter, to ascertain the views of Her Majesty's Government thereon, I have now to make to you the following observations.

Your Report on the recent communications that have passed between yourself and the Mexican Government has been carefully considered, and Her Majesty's Government are prepared to authorize you to sign an Agreement in the terms you have suggested, with the omission of the last sentence of Article III, which is thus worded:—

“It is understood, however, that this most-favoured-nation clause is limited in its duration to the period of time agreed to by Mexico in her Treaties with other countries.”

That part of your proposed Agreement which limits the time for the duration of the most-favoured-nation treatment is, in the opinion of Her Majesty's Government, open to serious objection.

In accepting the proposed Agreement, Her Majesty's Government will abandon their rights under all previous Conventions; and in so doing, they will incur a great responsibility, which could only be justified by the attainment of the object which both countries have had in view, that object being the renewal of commercial relations on a satisfactory footing.

Considering the difficulties encountered by other countries in their negotiations, the prospect of a new Treaty of Commerce being concluded between Great Britain and Mexico within a reasonable period is very uncertain, and Her Majesty's Government would be exposed to the risk of losing all benefit under the proposed Agreement were its most-favoured-nation clause to be limited to the duration of certain existing Treaties.

I have, therefore, to instruct you to urge on the Mexican Government the omission of the proviso in question; but if they should absolutely refuse to do so, it will be indispensable that a simultaneous Agreement should be arrived at as to the bases of a new Treaty between Great Britain and Mexico.

In order to facilitate your further negotiations on this point, the draft of a new Treaty will be prepared forthwith and forwarded to you for communication to the Mexican Government, and Her Majesty's Government will be prepared to consider, in a liberal and friendly spirit, any additions or alterations which the Mexican Government may suggest therein.

In conclusion, I have to express to you the entire approval of Her Majesty's Government of the ability and patience with which you have laboured to carry these protracted negotiations to a satisfactory conclusion.

I am, &c.
(Signed) GRANVILLE.

No. 28.

Earl Granville to Sir S. St. John.

(No. 18. Confidential.)

Sir,

Foreign Office, June 7, 1884.

WITH reference to my previous despatch No. 17 of this day's date, I have to state to you that I concur in the suggestion contained in your despatch No. 22 of the 28th April last, that in the event of the proposed Preliminary Agreement being concluded, you should address a note to the Mexican Government explanatory of the meaning attached by Her Majesty's Government to the Ist and IVth Articles.

As regards the mode of examination and liquidation of the outstanding British claims, the Ist Article leaves it entirely in the hands of the Mexican Government, and they would probably object to supplementing the Agreement with any express stipulations on the subject. If that be so, it would be very desirable that you should endeavour to come to some practical understanding on the matter, and especially as to the presence during the investigation of a representative on behalf of the British claimants.

I am, &c.
(Signed) GRANVILLE.

No. 29.

Earl Granville to Sir S. St. John.

(No. 21.)

Sir,

Foreign Office, June 20, 1884.

WITH reference to my despatch No. 17, Confidential, of the 7th instant, I transmit to you herewith, for your information and guidance, and for communication to the Mexican Government, the draft of a Treaty of Friendship, Commerce, and Navigation between Her Majesty and the Republic of Mexico, which has been prepared on behalf of Her Majesty's Government.

This Treaty is drawn on the general principle of most-favoured-nation treatment, in conformity with the terms of Treaties recently concluded by this country and of British law. It does not seem to require much explanation. If, however, after considering it, you wish to refer to me on any points, you are at liberty, on making a suitable explanation to the Mexican Government, to defer communicating the draft of Treaty.

You will observe that the last paragraph of Article III is taken from Article X of the Treaty of the 5th December, 1882, between Mexico and Germany, and that the provisions of that Treaty have been followed in some other respects, more particularly in Article V, relative to rights and privileges of residence. The stipulations in regard to rupture of friendly relations contained in Article XIV are similar in effect those contained in Article XVI of the German Treaty. It does not, however, appear to be necessary to insert an Article similar to Article XVII of the German Treaty, relative to the Declaration of Paris, because Mexico has already acceded to Articles II, III, and IV of that Declaration. Nor is it necessary to adopt the provisions of Article XVIII of the German Treaty, because on the one hand the position of public Ministers is sufficiently determined by international law, and because Her Majesty's Government do not think it advisable to include in the new Treaty the stipulations agreed to by Germany with respect to the complaints of private individuals, or losses sustained in civil war or from Indian raids.

With regard to Article XV, you should explain that it is the form of Colonial Article now adopted in British Treaties, with the view to meet the powers of local administration possessed by British Colonies. On this statement it is expected that no difficulty will arise. Article XVI seems to contain useful provisions for the purpose of settling any controversies between the two Governments.

As regards the ratification of the Treaty, in order to meet all contingencies it will be better to stipulate (as is done in Article XVIII) that the exchange shall be made "as soon as possible," rather than to fix a particular date. In the course of the negotiation you may arrange at your discretion with the Mexican Plenipotentiary whether it shall be effected at Mexico or in London.

Verbal alteration which does not change the intention and sense of any Article, but which is required for the sake of Spanish idiom or any reason which seems to be sufficient, may be agreed to by you without reference home. If decided objection is taken to any of the proposed stipulations, it must be reported, and my decision be awaited. If any objection made is limited to doubt as to interpretation, you may at your discretion sign the Treaty, with a reservation, recorded in notes exchanged between the Representatives, that a Declaration to remove such doubt shall be signed at the time of the exchange of ratifications.

I have only to add that you should bear in mind the statement made in my despatch of the 7th instant, that Her Majesty's Government will be prepared to consider in a liberal and friendly spirit any additions or alterations, not at variance with the general object of the Treaty, which the Mexican Government may suggest in the draft now communicated. You will, however, act as you think most prudent in the manner in which you will make this statement to the Mexican Government.

I am, &c.

(Signed) GRANVILLE.

No. 30.

Lord E. Fitzmaurice to Señor Mariscal.

(Private.)

Dear Señor Mariscal,

Foreign Office, June 20, 1884.

IN your private note to me of the 17th May you inquired what was the meaning of the words "pecuniary claims" employed in the 1st Article of the draft Project of Agreement drawn up by Sir Spenser St. John, and I now beg to inform you that those words refer to the "international claims" and "public debts" mentioned in the preamble and 1st Article of the previous Project of Arrangement, of which I placed a copy in your hands on the 23rd February last.

I am glad to be able to add that Sir S. St. John has been authorized to sign an Agreement in the terms proposed by him to Señor Fernandez, with the omission of the last sentence of Article III, which limits the duration of the most-favoured-nation clause to the period of time agreed to by Mexico in her Treaties with other countries.

It is considered that such a limitation is open to serious objection, for, in accepting the proposed Arrangement, Her Majesty's Government will abandon their rights under all previous Conventions, and in so doing they will incur a great responsibility, which could only be justified by the attainment of the object which both countries have had in view, namely, the renewal of commercial relations on a satisfactory footing, and were the most-favoured-nation clause to be limited as proposed in Article III, Her Majesty's Government would be exposed to the risk of losing all benefits under the proposed Agreement.

I may also mention, for your information, that, with a view to facilitating the negotiations, a draft of a new Commercial Treaty will be forwarded with the least possible delay to Sir S. St. John for communication to the Mexican Government.

Believe me, &c.

(Signed) EDMOND FITZMAURICE.

No. 31.

Lord E. Fitzmaurice to Señor Mariscal.

Dear Señor Mariscal,

Foreign Office, June 21, 1884.

ACCORDING to the promise I gave you this afternoon, I send a copy of the proposed Treaty of Friendship, Commerce, and Navigation, which will be sent by this day's post to Sir S. St. John for submission to the Mexican Government.

Believe me, &c.

(Signed) EDMOND FITZMAURICE.

No. 32.

Draft Addition to Article III proposed by Señor Mariscal.—(Communicated by Señor Mariscal to Earl Granville, June 21.)

IT is understood, however, that any concession made to the most favoured nation shall be extended to the other Contracting Party, freely, if the concession was freely made, or upon the same conditions, if it was conditional.

No. 33.

Señor Mariscal to Lord E. Fitzmaurice.—(Received June 24.)

(Private.)

Dear Lord E. Fitzmaurice,

73, Queen's Gate, June 23, 1884.

ALLOW me to thank you for the copy of the proposed Treaty with Mexico which was sent last Saturday to Sir Spenser St. John, which copy you inclosed to me in your note of the same day.

I remain, &c.
(Signed) IGN^o. MARISCAL.

No. 34.

Lord E. Fitzmaurice to Señor Mariscal.

(Private.)

Dear Señor Mariscal,

Foreign Office, June 24, 1884.

I HAVE the honour to inform you that the addition to Article III of the draft Agreement for the renewal of diplomatic relations between this country and Mexico, of which you gave me a copy on the 21st instant, has been fully considered, but I regret to say that the conclusion arrived at is that it would be inadmissible, as being directly opposed to the principles which now govern the commercial policy of this country.

I may also point out that, owing to the Reciprocity Treaty between the Republic of Mexico and the United States, such a clause would be sure at this moment to excite particular attention in this country; and would probably cause the commercial classes to assume a hostile attitude to the Treaty we are engaged in negotiating.

I am, &c.
(Signed) EDMOND FITZMAURICE.

No. 35.

Earl Granville to Sir S. St. John.

(No. 23. Confidential.)

Sir,

Foreign Office, June 26, 1884.

I TRANSMIT herewith, confidentially, for your information, a copy of a Memorandum left at the Foreign Office by Señor Mariscal on the 21st instant, containing the text of an addition which he suggested should be made to Article III of the proposed draft Agreement for the renewal of diplomatic relations between this country and Mexico.*

A copy of a private letter on this point which has been addressed to Señor Mariscal is also inclosed.†

I am, &c.
(Signed) GRANVILLE.

* No. 32.

† No. 34.

No. 36.

Earl Granville to Sir S. St. John.

(Telegraphic.)

Foreign Office, June 27, 1884, 3.15 P.M.

MY No. 17.

Draft Treaty posted 20th. Copy given to Mexican Envoy here.

No. 37.

Señor Mariscal to Lord E. Fitzmaurice.—(Received June 28.)

(Private.)

Dear Lord E. Fitzmaurice,

73, Queen's Gate, June 26, 1884.

I BEG to acknowledge the receipt of your private note of the 24th instant, informing me that my suggestion for an addition to Article III of the draft Agreement presented in Mexico by Sir Spenser St. John cannot be accepted. While I regret that conclusion, I am thankful for the attentive consideration given to that personal suggestion of mine.

I remain, &c.
(Signed) IGN^o. MARISCAL.

No. 38.

Sir S. St. John to Earl Granville.—(Received July 9.)

(Telegraphic.)

Mexico, July 8, 1884.

MEXICAN Government consent to favoured-nation clause in Preliminary Agreement for six years certain, with a twelvemonth notice of abrogation. Shall I sign?

No. 39.

Sir S. St. John to Earl Granville.—(Received July 15.)

(Telegraphic.)

Mexico, July 15, 1884.

ANSWER desired to telegram of 8th July.

No. 40.

Earl Granville to Sir S. St. John.

(Secret.)

(Telegraphic.)

Foreign Office, July 16, 1884, 1.45 P.M.

YOUR telegrams of 8th and 15th.

Is there, in your opinion, reasonable prospect of a Commercial Treaty being concluded on bases sent to you?

No. 41.

Earl Granville to Sir S. St. John.

(No. 27. Secret. Ext.)

Sir,

Foreign Office, July 16, 1884.

I HAVE received your telegrams of the 8th and 15th instant, in which you state that the Mexican Government are willing to grant most-favoured-nation treatment for six years certain, with a twelvemonth's notice of abrogation, in the Preliminary Agreement which you were authorized to sign, conditionally, by my despatch No. 17, Confidential, of the 7th ultimo.

Before sending you a definite reply to your inquiry whether you may sign the

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Agreement on these terms, I should be glad to learn from you whether you are of opinion that there is any reasonable prospect that the Mexican Government will be disposed to conclude a Treaty on the bases of the draft Treaty of Friendship, Commerce, and Navigation which was forwarded to you with my despatch No. 21 of the 20th ultimo.

The substance of this despatch has been sent to you by telegraph this day.

I am, &c.
(Signed) GRANVILLE.

No. 42.

Sir S. St. John to Earl Granville.—(Received July 18.)

(Telegraphic.)

Mexico, July 17, 1884.

AGREEMENT secures for seven years certain treatment of most favoured nation in all matters whatsoever.

There is reasonable prospect of Commercial Treaty being concluded on bases sent to me.

No. 43.

Earl Granville to Sir S. St. John.

(Telegraphic.)

Foreign Office, July 19, 1884, 6 P.M.

YOUR telegram of 17th.

You may sign Agreement as proposed by you on 8th instant.

Proceed with Commercial Treaty as rapidly as possible.

No. 44.

Earl Granville to Sir S. St. John.

(No. 29. Ext.)

Sir,

Foreign Office, July 19, 1884.

I HAVE received your telegram of the 17th instant, pointing out that the Preliminary Agreement for the renewal of relations with Mexico, which you propose to sign, secures the most-favoured-nation treatment in all matters whatsoever for seven years certain, and expressing a favourable opinion as to the prospect of concluding a Commercial Treaty on the bases communicated to you with my despatch No. 21 of the 20th ultimo.

In these circumstances, Her Majesty's Government are prepared to accept the further concession offered by the Mexican Government, and to waive the objections they have hitherto felt as to acquiescing in a limit for the duration of the most-favoured-nation clause of the Agreement. I have accordingly intimated to you to-day by telegraph that you may sign the Agreement as proposed in your telegram of the 8th instant.

I request that you will now proceed as rapidly as possible with the negotiations for a Treaty of Friendship, Commerce, and Navigation between this country and Mexico.

I am, &c.
(Signed) GRANVILLE.

No. 45.

Lord E. Fitzmaurice to Señor Mariscal.

Dear Señor Mariscal,

Foreign Office, July 21, 1884.

I HAVE the honour to inform you that instructions have been sent to Sir S. St. John to sign the Preliminary Agreement. I will not fail to communicate further as soon as we hear again from Sir S. St. John.

I am, &c.
(Signed) EDMOND FITZMAURICE.

No. 46.

Sir S. St. John to Earl Granville.—(Received July 31.)

(Telegraphic.)

Mexico, July 30, 1884.

MEXICAN Minister in London protests against Agreement; not yet signed.

No. 47.

Sir S. St. John to Earl Granville.—(Received August 1.)

(No. 27.)

My Lord,

Mexico, July 14, 1884.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 17, Confidential, of the 7th June, 1884, referring to the proposed Preliminary Agreement for the renewal of relations between England and Mexico.

I immediately entered into communication with M. Fernandez on the subject of the limitation of the duration of the most-favoured-nation clause. He agreed to extend the term to six years, with one year's notice of an intention to terminate it, but he found it impossible to agree to an unlimited time.

On the 8th instant I addressed a telegram to your Lordship asking whether I should not sign the Agreement, but receiving no answer, and as M. Fernandez was showing some anxiety to terminate the affair, I have this day forwarded another telegram, stating that an answer was desired to that sent on the 8th.

I observe that in the proposed Treaty, copies of which I received this morning, the time of duration is fixed at ten years, with one year's notice. I do not anticipate any great difficulties in negotiating this Treaty. Should M. Fernandez decline to sign it without the insertion of the XVIIIth Article of the German Treaty, it must be remembered that he is not likely to be Minister for Foreign Affairs for any length of time, as on the 1st December there is a change of Government, and entirely new men will take charge of the different offices.

Though the Preliminary Agreement accepted by the Mexican Government is very simple in form, it is as much a Convention for the settlement of claims as any they have previously signed. I do not anticipate useful results from any action of the present Government, but I expect very different conduct from that of General Porfirio Diaz, who appears to have been chosen President yesterday without opposition.

I have, &c.

(Signed) SPENSER ST. JOHN.

No. 48.

Memorandum of Conversation between Lord E. Fitzmaurice and Señor Mariscal, August 1, 1884.

THE Mexican Minister called here this morning and saw Sir J. Pauncefote and myself. We did not read Sir Spenser St. John's telegram to him, but simply repeated what had been communicated to him by letter, viz., that difficulties had arisen in Mexico, and that we hoped to be able to remove them. M. Mariscal thereupon informed us that what had happened, so far as he knew—though he was not certain—was this: after our last conversation but one he had informed his Government of the sense which, in his opinion, after that conversation, should be attached to the Ist Article of the proposed Agreement. That Article, as he understood it, simply substituted a new Convention for the old Convention. He dwelt especially on the words "agree" and "liquidate." M. Fernandez had thereupon probably felt that he and Sir Spenser St. John had not understood the Agreement in the same way, and hence the difficulty.

We explained to M. Mariscal that we thought that he had overstated the import of the Ist Article, while at the same time we quite understood the necessity his Government was under to deal carefully with the subject, especially in consequence of dangers in the Senate, to which M. Mariscal had alluded.

We then proceeded to discuss the Article with a view of finding a way out of the difficulty.

M. Mariscal suggested saying nothing at all about the debt and the Convention. I reminded him that exactly a year ago I had proposed this to him, and he had accepted it; but that M. Fernandez had objected. What security was there M. Fernandez would not do this again?

M. Mariscal said he thought M. Fernandez would not object now, but he did not seem to have any good reason for this belief.

Sir Julian Pauncefote then suggested that Article I should be recast and made part of the preamble.

M. Mariscal said this seemed to be a good suggestion, and we proceeded to discuss a new draft with a view to submitting it to Lord Granville.

Ultimately we agreed that the following words would best meet the case:—

To add to the preamble, after "purpose":—

"And whereas the Government of Mexico propose to institute an inquiry into all the pecuniary claims of British subjects, and to negotiate directly with the claimants, with a view to the settlement thereof."

Article I to disappear.

Article II to be Article I, and so on.

I send the necessary documents herewith.

E. F.

August 1, 1884.

No. 49.

Earl Granville to Sir S. St. John.

(Telegraphic.)

Foreign Office, August 2, 1884, 9.10 A.M.

YOUR telegram of the 30th ultimo.

Have discussed difficulty with Envoy. Hope to arrange it. Await further instructions.

No. 50.

Earl Granville to Sir S. St. John.

(No. 31. Ext.)

Sir,

Foreign Office, August 2, 1884.

WITH reference to your telegraphic despatch of the 30th ultimo, informing me that, in consequence of the unfavourable representation which had been received by the Mexican Government from their Special Envoy in this country in regard to the draft Agreement for the conclusion of an Anglo-Mexican Commercial Treaty, you had been unable to carry out the instructions contained in my telegram of the 19th ultimo, and that the Agreement was consequently not yet signed, I have to acquaint you that, in the course of a conversation held yesterday between Lord E. Fitzmaurice and Señor Mariscal, the question was fully discussed, and there appears to be reason to hope that a satisfactory arrangement may shortly be arrived at.

I have, therefore, to request that you will take no steps in the matter until the receipt of further instructions.

The substance of the foregoing was communicated to you this day by telegraph.

I am, &c.
(Signed) GRANVILLE.

No. 51.

Sir S. St. John to Earl Granville.—(Received August 4, 9 A.M.)

(Secret and Confidential.)

(Telegraphic.)

Mexico, August 4, 1884.

SECRETARY of State for Foreign Affairs states President rejects protest of Envoy, and accepts Agreement without alteration.

No. 52.

Sir S. St. John to Earl Granville.—(Received August 5.)

(No. 28. Confidential.)

My Lord,

Mexico, July 17, 1884.

I HAVE the honour to acknowledge the receipt of your Lordship's telegram, Secret, of the 16th July, 1884, inquiring whether, in my opinion, there is a reasonable prospect of the conclusion of a Commercial Treaty on the bases of the project sent to me. I have this day replied that there is a reasonable prospect. I have also brought to your Lordship's notice that, in the opinion of M. Fernandez, the Preliminary Agreement contains stipulations which will secure to England the treatment of the most favoured nation in all matters whatsoever. In fact, it will be equivalent to a most-favoured-nation Commercial Treaty for seven years certain.

As soon as I receive your Lordship's instructions as to signing the Preliminary Agreement I propose to submit the draft Treaty to M. Fernandez, but should he make any serious objections, I will not press it until after the ratification of the Agreement by Congress, which meets in September next.

I think there is a very friendly spirit towards England pervading political circles here, not only among those who are now in office, but among the men who will come into power in December next.

There is nothing in the draft Treaty to which the Government can reasonably object; the only difficulty which may arise will be from their wish to include undesirable additions. As there will be no necessity to press on the conclusion of the Treaty after the ratification of the Preliminary Agreement, it would perhaps be preferable, should the present Government insist on including Article XVIII of the German Treaty, to await the arrival to power of General Diaz.

I have hopes, however, that everything may be arranged with the present Government, and I will neglect no means to arrive at a favourable solution.

I have, &c.

(Signed) SPENSER ST. JOHN.

No. 53.

Earl Granville to Sir S. St. John.

(Telegraphic.)

Foreign Office, August 5, 1884, 2 P.M.

YOUR telegram received yesterday.

Sign Agreement without alteration at once if you can. If they refuse, we shall have to fall back on suggestions discussed with Mexican Envoy here.

No. 54.

Earl Granville to Sir S. St. John.

(No. 33. Ext.)

Sir,

Foreign Office, August 5, 1884.

I RECEIVED yesterday a telegraphic despatch from you informing me that the President had rejected the protest made by Señor Mariscal, and had accepted the proposed Agreement without alteration.

I have therefore to request you to sign the Agreement without alteration, and to do so, if possible, without loss of time.

Should the Mexican Government, however, decline to sign, Her Majesty's Government will in that case have to adopt the suggestions which have recently been discussed with the Mexican Envoy in this country.

The substance of the foregoing was communicated to you this day by telegraph.

I am, &c.

(Signed) GRANVILLE.

No. 55.

Sir S. St. John to Earl Granville.—(Received August 7.)

(No. 7. Commercial.)

My Lord,

Mexico, July 19, 1884.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 3, Commercial, of the 24th June, 1884, on the subject of the heavy incidence of some of the duties in the Mexican Customs Tariff on British goods, and instructing me to bring this question before the Mexican Government whenever an opportunity may offer.

I have had several conversations with M. Fernandez on the subject of the Tariff, but he has always expressed the same opinion, that his Government would be unwilling to bind themselves by any Treaty engagements on the subject.

As we found, however, that even Mexicans were but little acquainted with the heavy incidence of their duties, which average over 100 per cent., Mr. Carden has undertaken the task of placing the whole matter clearly before them, and has been for the last two months working out the details of the Tariff. He is doing this partly at the request of very influential Mexicans, who are dissatisfied at the low commercial position held by their country. The results already laid before them have apparently surprised them. It is, perhaps, not of much use to attempt to influence the present Administration, whose term of office is closing, but I am informed that General Diaz has shown much interest in the subject, and, being clear-headed, may adopt measures to develop the trade of his country.

It is now well established among commercial men that the amount of goods fraudulently introduced, either by direct smuggling or by false statements as to their quality, causes a loss of considerably over 40 per cent. on the amount which should be received.

As I consider a reform of the Tariff as the most important subject which can engage the attention of the Mission, no opportunity shall be lost of pressing the subject on the attention of those who can bring about a change.

I have, &c.

(Signed) SPENSER ST. JOHN.

No. 56.

Sir S. St. John to Earl Granville.—(Received August 7.)

(Telegraphic.)

Mexico, August 6, 1884.

AGREEMENT signed to-day without any alteration.

No. 57.

Earl Granville to Señor Mariscal.

(Private.)

Dear Señor Mariscal,

Foreign Office, August 8, 1884.

A TELEGRAM from Sir Spenser St. John informs me that the Agreement has been signed without alteration in the form communicated to me by him.

In acquainting you with this fact, of which, however, your Government has no doubt already informed you, I cannot but express my sense of the obligation that Her Majesty's Government are under to your Excellency for the spirit of conciliation which you have shown in the course of these long and difficult negotiations; and I am sure that without your Excellency's cordial support they would have led to no result.

I hope that the political and commercial relations of this country with Mexico will now be placed on a permanent and satisfactory footing, which cannot fail to be of advantage to the interests of both countries.

I have, &c.

(Signed) GRANVILLE.

No. 58.

Earl Granville to Sir S. St. John.

(No. 4. Commercial.)

Sir,

Foreign Office, August 11, 1884.

I HAVE received your despatch No. 7, Commercial, of the 19th ultimo, and, in reply, I have to inform you that I approve the action you have taken, as reported therein, with a view to obtaining a revision of the Mexican Tariff, and a reduction of the very high duties now charged on various articles of British manufacture. You should point out that this measure is to be recommended quite as strongly in the interests of the Mexican Exchequer and people, as on behalf of British trade.

I am, &c.

(Signed) GRANVILLE.

No. 59.

Lord E. Fitzmaurice to Sir S. St. John.

(Private.)

Dear Sir Spenser St. John,

House of Commons, August 12, 1884.

I WRITE to congratulate you most heartily on the successful termination of your labours. The Foreign Office is much indebted to you for the skill and patience you have shown, and it will be a satisfaction to you to know how fully this feeling is shared by Lord Granville himself. In regard to the last phase of the negotiations, it may be as well you should know exactly what passed here.

When we got your telegram stating that M. Mariscal was objecting to your proposal, Sir Julian Pauncefote and I saw M. Mariscal, and pointed out to him how astonished we were at the Convention not having been already by that time signed; but we did not tell him what we knew. M. Mariscal thereupon informed us that what he imagined had happened was that M. Fernandez, on being informed by him of the construction he placed, and understood to be placed by us, on the 1st Article, with especial reference to the words "agree" and "liquidation," had come to the conclusion that he and you had understood that Article in a different sense; that it was in reality only the substitution of a new Convention for the old Conventions in regard to the debt, and that difficulties would be sure to arise in the Senate, and that he had consequently cried off.

Sir J. Pauncefote and I thereupon pointed out to M. Mariscal that we thought this an exaggerated view of the Article; that we had no wish to claim a right to interfere in the internal affairs of Mexico, which would be the probable consequence of a new Convention similar to the old Conventions about the debt; and that if we could find any way to get over the objections he made, the reality of which, however, we did not admit, we would submit them to Lord Granville and communicate further with you. Eventually Sir Julian suggested making Article I part of the preamble with an amended wording, and M. Mariscal expressed himself favourably to this idea. This proposal, which we embodied in words, was before Lord Granville when your telegram arrived announcing the withdrawal of all objections and the signature.

Mr. Gay, of the "Daily Telegraph," has, I believe, been badly injured in an encounter with brigands in Mexico. If you have any opportunity of giving him a helping hand I shall be much obliged, as I know him.

Once more congratulating you, I am, &c.

(Signed)

EDMOND FITZMAURICE.

No. 60.

Señor Mariscal to Earl Granville.—(Received August 13.)

(Private.)

Dear Lord Granville,

August 9, 1884.

ALLOW me to thank you for your polite communication of yesterday, informing me that Sir Spenser St. John had signed in Mexico the Preliminary Agreement between the two nations.

In so doing your Lordship has the goodness to express an acknowledgment of

the spirit of conciliation which I have shown in the course of the negotiations, and is so kind as to state that without my cordial support "they would have led to no result."

Without admitting that my humble efforts for the conclusion of an Agreement may have had the importance which your Lordship's kindness attributes to them, I can only say that, first, as the Minister for Foreign Relations in my country, and subsequently as the Envoy of my Government in England, it has been my most earnest desire to see the relations re-established between the two Governments as soon as possible, and on a permanent satisfactory footing. I now share your Lordship's hope that such will be the case through what has been already accomplished, with the further steps which by common accord may be taken for the settlement of our mutual international interests.

With renewed thanks for your Lordship's kindness, I remain, &c.

(Signed) IGN^o. MARISCAL.

No. 61.

Earl Granville to Sir S. St. John.

(No. 34. Most Confidential.)

Sir,

Foreign Office, August 14, 1884.

WITH reference to my despatch No. 31 of the 2nd instant, I transmit herewith, for your information, a Memorandum of what passed at an interview between Señor Mariscal and Lord E. Fitzmaurice, at which Sir J. Pauncefoot was also present, on the 1st instant, in regard to the negotiations for the resumption of diplomatic relations with Mexico.*

I am, &c.

(Signed) GRANVILLE.

No. 62.

Earl Granville to Sir S. St. John.

(No. 38. Ext.)

Sir,

Foreign Office, August 16, 1884.

I HAVE received your telegram of the 7th instant, reporting the signing of the Preliminary Agreement between this country and Mexico; and I have to state to you that it gives me great pleasure to convey to you the expression of the approval of Her Majesty's Government of the able and successful manner in which you have treated this question.

The substance of the foregoing was to-day communicated to you by telegraph.

I am, &c.

(Signed) GRANVILLE.

No. 63.

Earl Granville to Sir S. St. John.

(No. 39. Confidential.)

Sir,

Foreign Office, August 19, 1884.

I TRANSMIT to you herewith, for your information, a copy of a communication, marked "Private," from the Special Envoy from Mexico in this country, in regard to the re-establishment of diplomatic relations between England and Mexico.†

I am, &c.

(Signed) GRANVILLE.

* No. 48.

† No. 60.

No. 64.

Earl Granville to Sir S. St. John.

(No. 40. Confidential.)

Sir,

Foreign Office, August 19, 1884.

I TRANSMIT to you, for your own information, the accompanying copy of a private letter which I addressed to the Mexican Special Envoy in this country, on receipt of your telegram reporting the signature of the Preliminary Agreement for the renewal of relations between this country and Mexico.*

I am, &c.

(Signed) GRANVILLE.

No. 65.

Mr. Doyle to Earl Granville.—(Received in Department, August 20.)

Dear Lord Granville,

5, Half Moon Street, Piccadilly, August 16, 1884.

MY sight has become so faulty that I will not trouble you with my bad handwriting; but I think it right, in consequence of your statement that a Commercial Treaty was about to be made with Mexico, to bring the following fact to your knowledge:—

In the first Commercial Treaty that was made it was stipulated that when a forced loan was raised it should not be applied to British subjects, but there were constant conflicts got up between the Mexican Government and our Legation, because when a forced loan was made it was always endeavoured to be put in force against British subjects, as the Mexican Government always tried to make it apply to them on the ground that the translation of the words “especialmente a ellos” meant only in the case of a forced loan being levied on British subjects, and not in cases where a general forced loan was raised on everybody. This was always resisted, but, if my memory serves me it was, I think, in February 1832 that Sir Richard Pakenham succeeded in getting General Santa Anna, then President of Mexico, to sign a document, having the force of a Treaty stipulation, declaring that henceforward no forced loans should ever be raised on any pretence on British subjects.

Soon after my arrival in that country another attempt was made to apply a forced loan to British subjects upon the ground I have stated above, which I was able to resist successfully by bringing to the notice of the Mexican Government the arrangement made with Sir Richard Pakenham, and though several forced loans were raised, a method of raising money at which the Government was very handy, they were not applied to British subjects, excepting when they had joined themselves with Mexican citizens in carrying on commercial enterprises.

I have thought it worth while to bring this point to your notice, as I consider it of great importance that every care should be taken in the wording and translation of any Treaty stipulations, as Mexican statesmen are generally lawyers, and are especially fond of getting up a wrangle on the meaning of any and every word, as was shown in the first Treaty.

Believe me, &c.

(Signed) PERCY W. DOYLE.

No. 66.

Sir S. St. John to Earl Granville.—(Received August 22.)

(No. 30. Very Confidential.)

My Lord,

Mexico, August 4, 1884.

I CALLED on M. Fernandez on the 2nd instant, and mentioned to him the telegram that I had received from your Lordship referring to your interview with M. Mariscal, when he replied that his Excellency the President, after having examined all the documents on both sides of the question, had decided to set aside the objections raised by M. Mariscal, and had instructed him to sign the Agree-

ment unaltered. He authorized me to telegraph this to your Lordship, and as I am sure that he is anxious that the Mexican Envoy in London should not interfere further in the matter, I did so yesterday in a Secret and Confidential telegram.

M. Mariscal has had his influence deservedly weakened by his vacillating policy. In an interview which Mr. Carden had with him in February 1883, M. Mariscal assured him positively that as regarded the position England would occupy were she to make a new Treaty with Mexico, "that English goods would enjoy absolutely, and without reference to any reciprocity, all the advantages that would be given to American goods."

In M. Mariscal's recent communications with his Government he has been urging them not to grant to England the most-favoured-nation clause without considerable reservations. I was careful to draw M. Fernandez's attention to the great contradiction between M. Mariscal's present views and those expressed by him last year. M. Fernandez then told me, very confidentially, that M. Mariscal was apparently trying to draw back with regard to the meaning of the favoured-nation clause in the German Treaty, but that the Government had not adopted his view.

The American Government would gladly obtain a monopoly of the trade of Mexico, but the Mexican Government are strongly opposed to this project, and fear that, should Mr. Blaine be elected President, he will endeavour to carry out a very encroaching policy in commercial matters. Agreeing with this view, I urged on M. Fernandez the necessity of inserting in the Preliminary Agreement the term of six years certain for the favoured-nation clause, with one year's notice, instead of the period of two years which he originally proposed, to which he willingly assented.

I have, &c.
(Signed) SPENSER ST. JOHN.

No. 67.

Sir S. St. John to Earl Granville.—(Received August 26.)

(No. 31. Confidential.)

My Lord,

Mexico, August 6, 1884.

I HAVE the honour to forward to your Lordship the Preliminary Agreement for the renewal of relations between Great Britain and Mexico, which was signed this afternoon.

The Agreement was drawn up by M. Fernandez after several consultations between us, and although it varies from my original draft, the variations are favourable to English interests.

Article I provides for an impartial inquiry being made into the claims of British subjects and for the payment of the sums found due, as well as for the settlement of the claims already acknowledged by the Mexican Government.

A satisfactory settlement must greatly depend on the influence which Her Majesty's Legation may acquire, as it has been abundantly proved in the past that no Agreement, however carefully worded, can bind this Government where money payments have to be made. I believe that the prospects of a considerable influence being acquired by England are highly favourable.

Article II was inserted by M. Fernandez, in order that it might not be said that Article I had been imposed on the Mexican Government.

Article III is the important clause of the Agreement, as it secures to England, for seven years certain, the treatment of the most favoured nation in all matters whatsoever. The necessity of giving a year's notice before the treatment of the most favoured nation can cease is a very valuable addition to this Article, to which M. Fernandez gives the widest interpretation.

Article IV is a concession to Mexican jealous fears, but is in reality of little value, as no nation can desire to have more than the most-favoured-nation treatment in all matters whatsoever.

When I compare this Agreement with the note addressed to me by M. Fernandez on the 28th July, 1883, I cannot but be surprised at the change which a year's quiet negotiations have produced in the views of the Mexican Government.

There is one point which to me is less satisfactory. Before M. Mariscal's unnecessary and passionate interference in the negotiations carried on by M. Fernandez, we had come to a distinct agreement as to the meaning to be attached to each clause, which I embodied in a despatch, a copy of which I have the honour to inclose. But when M. Mariscal's protest arrived M. Fernandez begged me to withdraw it, for fear it should give occasion for any one to say that M. Mariscal's views were correct. I therefore substituted for it a short note in terms which M. Fernandez thought would satisfy his Excellency the President that M. Mariscal's alarms were unfounded. I thought that some concession was due to M. Fernandez for his loyal support of the Agreement against the attacks of an influential statesman, who, in fact, is still nominally Secretary of State for Foreign Affairs, and who may yet return to occupy that post. The wording of Article I, however, remains unchanged, and does not in any way limit the discretion of Her Majesty's Minister as to the support he may think proper to give to the claims of his countrymen. I successfully insisted on the omission of the words limiting this right which M. Fernandez had inserted in his first draft.

Another point of a certain importance was gained by inducing M. Fernandez to leave out the first lines of Article IV, which commenced, "In virtue of the non-subsistence of the ancient Treaties, Conventions, and international arrangements between Mexico and Great Britain." It was the more difficult to induce him to abandon this phrase, as their national hero, President Juarez, had publicly proclaimed this doctrine, and a vote of Congress had sanctioned it.

The Preliminary Agreement has to be ratified by Congress; but as it has been approved of both by the President, General Gonzalez, and by the President-elect, General Diaz, it is not likely that many fresh difficulties will arise.

I would request your Lordship to forward to me the ratification of this Agreement as soon as possible, as until the ratifications have been exchanged, M. Fernandez is unwilling to take in hand the negotiation of a permanent Treaty.

I have, &c.

(Signed) SPENSER ST. JOHN.

Inclosure 1 in No. 67.

Preliminary Agreement for the Renewal of Relations between Great Britain and Mexico, signed at Mexico, August 6, 1884.

WHEREAS the Governments of Great Britain and Mexico are desirous to re-establish diplomatic relations between the two countries on the most cordial footing, and in a manner consistent with the honour and the interests of both nations, and whereas the said Governments have each of them appointed a Special Envoy accredited to the other of them, with the object of entering into negotiations for that purpose, the following Preliminary Arrangement is agreed to by and between the High Contracting Parties :—

ARTICLE I.

The Mexican Government will order an impartial investigation to be made with respect to all the pecuniary claims of British subjects based on acts of the Federal Government of Mexico anterior to the exchange of the ratifications of these Preliminaries, and will provide for the liquidation of the amounts which may be found to be due them, as well as for the payment of those already recognized by the same Federal Government.

POR cuanto á que los Gobiernos de México y la Gran Bretaña desean restablecer las relaciones diplomaticas entre ambos paises sobre la base de la mayor cordialidad y de una manera conciliable con el honor y los intereses de las dos naciones, y por cuanto á que cada uno de dichos Gobiernos ha nombrado un Enviado Especial acreditado cerca del otro con objeto de entrar en negociaciones para aquel propósito, las Altas Partes Contratantes han convenido en el siguiente Arreglo Preliminar :—

ARTICULO I.

El Gobierno Mexicano ordenará que se haga una imparcial investigacion respecto de todas las reclamaciones pecuniarias de subditos Británicos basadas en actos del Gobierno Federal de México anteriores á la fecha del cange de las ratificaciones de estos Preliminares, y proveerá á la liquidacion de las sumas que resulte debérseles, así como al pago de aquellas ya reconocidas hoy por el mismo Gobierno Federal.

ARTICLE II.

The British Government on its side will also examine impartially all the pecuniary claims of Mexican citizens based on acts of the British Government anterior to the date of the exchange of the ratifications of these Preliminaries, and will order the liquidation and payment of the sums which may be found to be due them.

ARTICLE III.

The High Contracting Parties agree to extend to each other reciprocally for six years, reckoning from the date of the exchange of the ratifications of these Preliminaries, the treatment of the most favoured nation in all matters whatsoever. This stipulation will be considered to be still in force at the expiration of the six years, until twelve months after it has been denounced by either of the High Contracting Parties.

No stipulations contained in this Article shall prevent the two Governments, if they so wish it, from drawing up (as soon as the ratifications of these Preliminaries has been exchanged) a regular Treaty of Peace, Friendship, Commerce, and Navigation, on the same basis of the most-favoured-nation treatment.

ARTICLE IV.

The stipulations contained in the first paragraph of Article III of these Preliminaries, and, in the event of its being concluded, the Treaty of Peace, Friendship, Commerce, and Navigation referred to in the second paragraph of the same Article, will, in future, exclusively govern the Conventional relations between the two Governments as the only international compact existing between them, so long as they do not conclude new Treaties, Conventions, or Agreements.

ARTICLE V.

These Preliminaries shall be ratified respectively according to the constitution of each country, and the ratifications shall be exchanged in Mexico within ten months from the date hereof.

In witness whereof both Plenipotentiaries have signed the present Preliminaries, and have affixed thereto their respective seals, in the city of Mexico, on the sixth day of August, in the year one thousand eight hundred and eighty-four.

(L.S.) (Signed) SPENSER ST. JOHN.
(L.S.) (Signed) JOSÉ FERNANDEZ.

ARTICULO II.

El Gobierno Británico, por su parte, examinará, tambien imparcialmente, todas las reclamaciones pecuniarias de ciudadanos Mexicanos basadas en actos del Gobierno Británico anteriores á la fecha del cange de las ratificaciones de estos Preliminares, y ordenará la liquidacion y pago de las cantidades que resultare deberles.

ARTICULO III.

Las Altas Partes Contratantes convienen en concederse reciprocamente durante seis años, contados desde la fecha del cange de las ratificaciones de estos Preliminares, el tratamiento de la nacion mas favorecida en toda clase de materias. Esta estipulacion se considerará en vigor, pasados los seis años, hasta doce meses despues de que haya sido denunciada por cualquiera de las Altas Partes Contratantes.

Las estipulaciones contenidas en este Artículo no obstan á que ambos Gobiernos ajusten, si así lo desean, y una vez hecho el cange de las ratificaciones de estos Preliminares, un Tratado en forma, de Paz, Amistad, Comercio, y Navegacion, sobre la misma base del tratamiento de la nacion mas favorecida.

ARTICULO IV.

Las estipulaciones contenidas en el primer miembro del Artículo III de estos Preliminares, y, en su caso, el Tratado de Paz, Amistad, Comercio, y Navegacion á que el segundo miembro se refiere, regirán exclusivamente en lo futuro las relaciones Convencionales entre los dos Gobiernos, como el único pacto internacional existente entre ellos, miéntras no celebren nuevos Tratados, Convenciones, ó Arreglos.

ARTICULO V.

Estos Preliminares serán ratificados respectivamente conforme á la constitution de cada país, y las ratificaciones se cangearán en México dentro de los diez meses contados desde esta fecha.

En fé de lo cual ambos Plenipotenciarios han firmado los presentes Preliminares, sellándolos cada uno con su respectivo sello, en la ciudad de México, á los seis dias del mes de Agosto, del año de mil ochocientos ochenta y cuatro.

(L.S.) (Firmado) JOSÉ FERNANDEZ.
(L.S.) (Firmado) SPENSER ST. JOHN.

Protocol.

On signing this day the Preliminaries of the renewal of the relations between Great Britain and Mexico, the Plenipotentiaries remarked that in the English text of Article III, after the words, "from the date of the exchange," the following words are omitted, "of the ratifications." Hereby they declare that the sentence should read as follows: "from the date of the exchange of the ratifications of these Preliminaries," &c., and they propose to rectify that omission in the copies of the said Preliminaries which shall contain the ratifications of the two Governments.

In witness whereof they signed this document in duplicate, and affixed thereto their seals, in the city of Mexico, on the sixth day of August, in the year one thousand eight hundred and eighty-four.

(L.S.) (Signed) SPENSER ST. JOHN.
(L.S.) (Signed) JOSÉ FERNANDEZ.

Al firmarse hoy los Preliminares de reanudación de relaciones entre la Gran Bretaña y México, notaron los Plenipotenciarios que en el texto Inglés del Artículo III, después de las palabras "from the date of the exchange," faltan estas otras, "of the ratifications." Hicieron constar que la frase debe leerse así: "from the date of the exchange of the ratifications of these Preliminaries," &c., y ofrecieron subsanar esta omisión en los ejemplares de dichos Preliminares que contengan las ratificaciones de los dos Gobiernos.

En fé de lo cual firmaron esta acta por duplicado y la sellaron con sus sellos, en la ciudad de México, á los seis días del mes de Agosto de mil ochocientos ochenta y cuatro.

(L.S.) (Firmado) JOSÉ FERNANDEZ.
(L.S.) (Firmado) SPENSER ST. JOHN.

Inclosure 2 in No. 67.

Draft of Sir S. St. John's proposed Note to Señor Fernandez.

M. le Ministre,

Mexico, July , 1884.

I HAVE the honour to inform your Excellency that Her Majesty's Government, being desirous of avoiding any misunderstanding as to the tenour of the Articles of the Preliminary Agreement which we have this day signed, have authorized me to address you this confidential note to explain the meaning which Her Majesty's Government attach to the principal clauses.

It is understood that Article I does not refer to the London debt, commonly called the Bondholders' Debt, which the Mexican Government are desirous of settling by direct negotiations with the bondholders, but to the claims which certain British subjects consider they have against the Federal Government of Mexico for debts due to them by the said Federal Government, or for indemnities for injuries to property or person from which they have suffered from the agents or citizens thereof previous to the signing of the present Agreement.

The sums already recognized by the Federal Government of Mexico are understood to refer to the balance of the Convention Debt, and certain other claims which have already been examined and accepted by the said Federal Government. No claims of British subjects shall be presented to the Commission to be hereafter appointed by the Mexican Government until they have been examined by Her Majesty's Legation.

Articles II and III require no special explanation.

Article IV. Her Majesty's Government, being satisfied that the Government of Mexico will cause an impartial and satisfactory investigation to be made into the claims of British subjects, as provided in Article I, will not in the future invoke, in support of claims of British subjects, any Treaty, Convention, pact, or agreement between the two countries for the time anterior to the date of the exchange of the ratifications of the said Preliminaries.

This confidential note shall be considered as supplementary and of equal value to the Preliminary Agreement signed this day, which will entirely govern the relations between the two countries, until the signature of a regular Treaty between the Republic of Mexico and the Kingdom of Great Britain, the signature of which Treaty, however, will not in any way affect the stipulations contained in Articles I and II.

Inclosure 3 in No. 67.

Sir S. St. John to Señor Fernandez.

M. le Ministre,

Mexico, August 6, 1884.

I HAVE the honour to inform your Excellency that I have received instructions from my Government to communicate to you by this note, which is supplementary to the Preliminaries which your Excellency and I have this day signed, that Her Majesty's Government, desirous to prevent any difficulties arising in the diplomatic relations which both Governments are so anxious to re-establish, will not invoke in the future any Convention, pact, or arrangement between the two countries for all the time anterior to the exchange of the ratifications of the said Preliminaries. As regards the time subsequent to that date, provision is made in the declaration contained in Article IV of the same Preliminaries.

The renewal of relations then between the two countries, should it be carried into effect, shall be considered as made in the sense of the declarations contained in the Preliminaries signed to-day, and in this supplementary and confidential note.

I have, &c.

(Signed) SPENSER ST. JOHN.

No. 68.

Sir S. St. John to Mr. Jervoise.—(Received August 26.)

My dear Jervoise,

Mexico, August 7, 1884.

THERE is an explanation required of some words in Article I. "Acts of the Federal Government" were put in to exclude "Acts of the Imperial Government." Every one here is surprised at the settlement, as no one had any idea that negotiations were going on. The secret was well kept.

Ever sincerely yours,

(Signed) SPENSER ST. JOHN.

P.S.—Agreement was posted yesterday afternoon. I mention this in case of any delay in delivery.

S. ST. J.

No. 69.

Sir S. St. John to Earl Granville.—(Received August 26.)

(No. 29. Confidential.)

My Lord,

Mexico, July 30, 1884.

I REGRET to inform your Lordship that up to the present date the preliminary Agreement settled between M. Fernandez and myself has not been signed on account of certain objections raised by M. Mariscal.

On the 5th July, in an interview I had with M. Fernandez, we settled the form in which the Agreement should be drawn up. On the 7th he called on me, saying that he had shown the document to his Excellency the President, and that he approved of it, and that he was ready to sign it immediately. Fortunately, he had written to me to the same effect, and left the letter with me. On the 8th I telegraphed to your Lordship, saying that the favoured-nation clause had been extended to seven years, and asking permission to sign. Receiving no answer I again telegraphed to your Lordship: on the arrival of the final reply on the 19th I wrote to M. Fernandez that I wished to see him, and next day I informed him that I was prepared to sign.

To my surprise M. Fernandez began to make objections, saying that he had just received from M. Mariscal a very strong protest against the conclusion of the Agreement, offering his resignation rather than have anything to do with it, declaring that it was renewing all the old Conventions, that under it Her Majesty's Government might insist not only on the payment of all moneys due, but even interfere in the arrangement of the bondholders' debt, and ended by appealing to the patriotism of the President to reject the preliminaries in their present form.

M. Fernandez was very much moved by this *contretemps*, and told me he was

preparing an answer in which he hoped to refute M. Mariscal's arguments, and that he would lay these documents before the President. I have seen M. Fernandez several times since, but as yet his Excellency has not given his decision. I have asked, privately, for an interview with the President, not to leave any means untried to conclude this business in a satisfactory manner.

With any other Government, it would be impossible to recede after M. Fernandez's communication, but I fear this one is not troubled by many scruples. As I hear that negotiations are going on in London to raise a loan, and as advantage may be taken of a supposed renewal of relations, I intend telegraphing to your Lordship to-day that the Agreement has not yet been signed.

I will forward all the documents as soon as anything is settled.

I have, &c.

(Signed) SPENSER ST. JOHN.

Inclosure in No. 69.

Señor Fernandez to Sir S. St. John.

(Translation.)

Much esteemed Sir Spenser,

Foreign Office, Mexico, July 7, 1884.

AS I offered you in our conference of last Saturday, I have now the honour to remit you my project of the Preliminaries for the renewal of relations, modified according to the sense of our conversation, and approval by the President in to-day's Conference.

I send you also a project of a secret note, which you will be good enough to address me, drawn up in terms which will satisfy my Government, and which, I trust, you may find acceptable.

If both documents meet your approbation, I hope that in the present week we shall be able to sign the Preliminaries.

I am, &c.

(Signed) JOSÉ FERNANDEZ.

No. 70.

Mr. Doyle to Lord E. Fitzmaurice.—(Received August 29.)

My dear Fitzmaurice, *5, Half Moon Street, Piccadilly, August 19, 1884.*

LORD GRANVILLE writes me word he forwarded you a letter of mine, as you are drawing up the Commercial Treaty with Mexico. If I can be of any service to you, having been so long in that country, I am quite at your service, but do not ask me to go to you in the heat of the sun, as I am not very well. There is one point I should like to draw to your attention which may be difficult to manage. When British or other foreign subjects have claims against the Mexican Government, they are generally settled, after many difficulties, not by ready money, but by Conventions or Agreements granting a certain small percentage on Custom-house or other dues accruing to the Government. Now comes the difficulty: when a *pronunciamiento* or revolution takes place, and so numerous were they, that I think I must have gone through some fourteen, the first act of the coming-in Government is to suspend every payment, however solemn in its nature, on the plea that they must examine the state of the finances, which they delay as long as possible; this delay lasting sometimes for months, causing much disagreeable correspondence to take place between the different Legations and the Mexican Government. My object in bringing this matter before you, is for you to consider whether any provision could be made in the Treaty to the effect that no such Conventions or solemn Agreements should be interfered with, in consequence of any change of Government, under any pretext.

Believe me, &c.

(Signed) PERCY W. DOYLE.

P.S.—My sight is so bad that I spare you my handwriting.

P. W. D.

No. 71.

Earl Granville to Sir S. St. John.(No. 41.)
Sir,*Foreign Office, August 30, 1884.*

I TRANSMIT to you, for your information, the accompanying copy of a letter from Mr. Percy Doyle, formerly Her Majesty's Minister in Mexico, in regard to the desirability of securing by Treaty stipulations protection for British subjects against forced loans.*

I am, &c.

(Signed) GRANVILLE.

No. 72.

Mr. Bouverie to Mr. Jervoise.—(Received September 1.)

Dear Jervoise,

Manor House, Market Lavington, Wilts, August 31, 1884.

IS Mexico in your department?

Whether or no, do you think you can get your Chief's assent to a request I should like to make as to the arrangement now hatching for a settlement of the debt?

I have made it a condition that Diaz, the incoming President, should approve of the proposals which have been laid before me, and I have been assured by the Government Agent that he does. I have also an official letter from Mariscal, the Mexican Minister here, sending a telegram from Diaz to himself in confirmation of this, which he asked from Diaz at my instance.

Still, these are mere statements by others, and what I should like to ask the Foreign Office to-day would be to telegraph (at my office's expense) to St. John to ask him to see Diaz, and to ask him confidentially to say if he approves of the proposed settlement. What do you say to this? I had thought of asking St. John myself, but your doing it would of course insure its being done, and the certainty thus acquired would be very important for the stability of the scheme.

I am, &c.

(Signed) E. P. BOUVERIE.

No. 73.

Earl Granville to Sir S. St. John.

(Telegraphic.)

Foreign Office, September 3, 1884, 3.45 P.M.

AT the request of Bondholders' Committee, I have to instruct you to ask Diaz confidentially if he approves arrangement for settlement of debt laid before Committee by Government Agent.

No. 74.

Sir S. St. John to Earl Granville.—(Received September 5.)

(Secret and Confidential.)

(Telegraphic.)

Mexico, September 4, 1884.

VERY important that the answer to your Lordship's telegram of yesterday should be by post, as detailed and confidential explanations are necessary.

No. 75.

Sir S. St. John to Earl Granville.—(Received September 8.)

(Telegraphic.)

Mexico, September 8, 1884.

HAS Agreement arrived?

No. 76.

Earl Granville to Sir S. St. John.

(Telegraphic.)

Foreign Office, September 8, 1884, 3 P.M.

YES. Ratification being prepared.

No. 77.

*Mr. Bouverie to Mr. Cockerell.—(Received September 12.)**Council of Foreign Bondholders, 17, Moorgate Street,
London, September 11, 1884.*

Dear Sir,

I HAVE been in communication with Mr. Clarke Jervoise respecting the proposed arrangement of the Mexican Debt, and the telegram the Foreign Office has sent to Sir Spenser St. John at my request, begging him to ascertain if General Diaz consents to it.

Mr. Jervoise has written to tell me that Sir Spenser has telegraphed to say that it was necessary to give detailed and confidential explanations, and Mr. Jervoise says these may be expected by post in about three weeks.

Unfortunately it turns out the matter does not admit of delay, as the arrangement, if agreed to here, has to go to Congress for their sanction, and Congress meets this month.

The general outline of that arrangement has been telegraphed to-day by the Chairman of the Committee to President Gonzales. What I, therefore, have to beg in this difficulty is that Sir Spenser may be again telegraphed to, to say that the terms of the arrangement have been cabled to President Gonzales, and that he, Sir Spenser, is requested to see them, and ascertain with respect to them from Diaz that he confirms his previous telegram to Señor Mariscal, and that he approves of the terms.

I am, &c.

(Signed) E. P. BOUVERIE.

No. 78.

Earl Granville to Sir S. St. John.

(Telegraphic.)

Foreign Office, September 13, 1884, 5.25 P.M.

YOUR telegram of the 4th instant.

At the request of the Bondholders' Committee, I have to instruct you to look at the terms of the arrangement for the settlement of the debt, which the Committee telegraphed to President Gonzales in outline on the 11th instant, and to ascertain with respect to them from Diaz that he confirms his previous telegram to Señor Mariscal, and that he approves of the terms.

No. 79.

Sir S. St. John to Earl Granville.—(Received September 13, 9 P.M.)

(Telegraphic.)

Mexico, September 13, 1884.

PRESS telegram quoted here says settlement of debt accepted by Bondholders' Committee and referred to Lord Granville for his decision. If this statement remains uncontradicted, a failure of the debt negotiations might imperil ratification of Preliminary Agreement. May I deny report officially?

No. 80.

Mr. Lister to Mr. Bouverie.

Sir,

Foreign Office, September 13, 1884.

I AM directed by Earl Granville to acknowledge the receipt of your letter of the 11th instant, upon the subject of the proposed arrangement of the Mexican Debt; and I am to state to you, for the information of the Council of Foreign Bondholders, that, in accordance with the request contained therein, his Lordship has instructed Her Majesty's Special Envoy in Mexico to look at the terms of the arrangement for the settlement of the debt which have been telegraphed by the Council to President Gonzales, and to ascertain with respect to them whether President Diaz approves of them, and confirms his previous telegram to the Special Mexican Envoy in this country.

I am, &c.
(Signed) T. V. LISTER.

No. 81.

Sir S. St. John to Earl Granville.—(Received September 15, 9 P.M.)

(Telegraphic.)

Mexico, September 15, 1884.

HAVE seen Minister for Foreign Affairs, who said Mexican Government desire to settle arrangement with the bondholders without even the appearance of diplomatic interference, any suspicion of which would cause Senate to refuse ratification of Preliminary Agreement. He awaits reply to my telegram of 13th before submitting Agreement to Senate.

No. 82.

Earl Granville to Sir S. St. John.

(Telegraphic.)

Foreign Office, September 16, 1884, 5.55 P.M.

YOUR telegrams of 13th and 15th: Mexican Debt.
You may deny officially.

No. 83.

Earl Granville to Sir S. St. John.

(Telegraphic.)

Foreign Office, September 20, 1884, 1.50 P.M.

RATIFICATION leaves to-night.

No. 84.

Sir S. St. John to Earl Granville.—(Received September 26.)

(No. 34. Secret and Confidential.)

My Lord,

Mexico, September 3, 1884.

I RECEIVED your Lordship's telegram to-day instructing me to ask General Diaz, confidentially, whether he approved of the plan submitted to the Bondholders' Committee by the Agent of the Government of Mexico.

I am perfectly aware that the General does not approve of any arrangement being made with the bondholders by the present Administration, as he is convinced it is done solely with a view of raising a fresh loan, which his Government would be called upon to repay.

At the same time, if it were suspected by the Government of Mexico that he was doing anything to thwart their negotiations for a loan, it is certain that they would do all in their power to injure him.

It is not the settlement with the bondholders which is so much objected to as the use

that will be made of that settlement. The finances are already in a ruinous state, and if the present Government from the effect of the settlement should be able to raise the proposed loan of 30,000,000 dollars, it would put it out of the power of the next Administration to restore the finances to a healthy condition, and prevent it from carrying out the arrangement made with the bondholders, and defer indefinitely the proposed reform of the Tariff and the settlement of other claims.

Of one thing I feel assured, that the present Government would not have cared to make any settlement with the bondholders did they not look upon it as a necessary step to secure the proposed loan.

Congress meets on the 16th September, and one of their first acts will be to examine the votes of the States, and as soon as they have declared General Diaz duly elected, he will be more free to express his opinion.

I have written this despatch in cypher, as it is of the greatest importance to General Diaz's safety that this information should be used with caution.

I have, &c.
(Signed) SPENSER ST. JOHN.

No. 85.

Sir S. St. John to Earl Granville.—(Received September 30.)

(No. 35.)
My Lord,

Mexico, September 12, 1884.

ON the 8th instant I forwarded to your Lordship a telegram to inquire whether the Preliminary Agreement which was posted here on the 6th August had been received. On the following day your Lordship's reply arrived stating that it had been received, and that the ratifications were being prepared. I telegraphed this inquiry, as M. José Fernandez was anxious to hear some news of the ratification in order to be prepared to submit the Agreement to the Senate as soon as possible.

I have, &c.
(Signed) SPENSER ST. JOHN.

No. 86.

Mr. Currie to Mr. O'Leary.

Sir,

Foreign Office, October 1, 1884.

I AM directed by Earl Granville to acknowledge the receipt of your letter of the 22nd ultimo,* inclosing, for his Lordship's information, printed copies of a Memorandum of Agreement between the Committee of Mexican Bondholders and M. Edouardo Noetzlin, the specially-authorized Mexican Agent for the settlement of the external debt of that Republic.

I am, &c.
(Signed) P. CURRIE.

No. 87.

Sir S. St. John to Earl Granville.—(Received October 6.)

(No. 36.)
My Lord,

Mexico, September 15, 1884.

A PARAGRAPH which appeared in a Government paper here, a translation of which I inclose, alarmed those who had been assured that the settlement of the bondholders' debt would be directly negotiated by the Mexican Agents and the Committee without the interference of Her Majesty's Government. I therefore telegraphed to your Lordship, asking for permission to deny officially the statement made in the "Nacional."

A few hours subsequently to sending my telegram, I received that of your Lordship instructing me to look at the terms of the arrangement of the debt, which had been telegraphed in outline to his Excellency the President, and to ascertain from General Diaz whether he confirmed his previous telegram to Señor Mariscal, and whether he approved of the terms.

I therefore called on Señor Fernandez this morning and told him that I wished to see

* Not printed.

the arrangement which had been telegraphed to the President on the 11th instant. He was evidently surprised at the application, and said that the Mexican Government desired to settle the arrangement with the bondholders without even the appearance of any diplomatic interference. He added that the rumours on the subject had already alarmed many of the Senators, who had been to him to know whether the preliminary arrangement sanctioned any diplomatic intervention in that question on the part of Her Majesty's Government. He added that he trusted that nothing would occur to mar the result of all our previous negotiations, but he feared that unless I could officially deny the statements made the Senate would refuse to ratify the Preliminary Agreement.

It appears that the declaration made by M. Mariscal, that the 1st Article of the Preliminary Agreement would authorize Her Majesty's Government officially to insist on a settlement of the bondholders' debt, has had its effect on many persons of influence, and has created an opposition to the ratification of the Agreement.

I assured M. Fernandez that Her Majesty's Government did not wish to interfere in the settlement of the debt, and desired that the Mexican Government and the bondholders should, by direct negotiations, arrange the matter between them; that those telegraphic inquiries were only made out of a friendly feeling towards the bondholders, and that I adhered to my previous declaration, that Article I of the Preliminary Agreement did not in any way refer to the debt due to the bondholders.

M. Fernandez concluded by saying that he would not present the Preliminary Agreement to the Senate until I could give him, in writing, your Lordship's answer to my telegram of the 13th instant.

I have, &c.
(Signed) SPENSER ST. JOHN.

Inclosure in No. 87.

Extract from the "Nacional."

(Translation.)

ACCEPTED in principle by the bondholders in London the bases of the settlement proposed by M. Eduardo Noetzlin in the name of the Mexican Government, said bondholders have referred it to Earl Granville, Head of the British Cabinet, for his definitive resolution.

It has come to our knowledge that with this object messages have passed by the cable between the Foreign Office and Sir Spenser St. John.

No. 88.

Messrs. Valpy, Chaplin, and Peckham to Earl Granville.—(Received October 9.)

My Lord, 19, *Lincoln's Inn Fields, London, October 8, 1884.*

REFERRING to the letter received by us from the Foreign Office dated the 6th March last, as we understand that diplomatic relations have now been renewed between this country and Mexico, we venture again to refer your Lordship to our letter of the 11th June, 1883, and to inquire what steps are likely to be taken with a view to the settlement of our client's claim.

We have, &c.
(Signed) VALPY, CHAPLIN, AND PECKHAM.

No. 89.

Sir S. St. John to Earl Granville.—(Received October 13.)

(No. 37.)

My Lord,

Mexico, September 24, 1884.

ON the receipt of your Lordship's telegram of the 16th instant authorizing me to contradict the statement made in the "Nacional" newspaper, I addressed the inclosed despatch to M. Fernandez, to which he replied in a note that contains statements which might be contested. But as nothing that he could write about the Preliminary Agreement, after its signature and its ratification by Her Majesty's Government, can have any importance unless accepted by your Lordship, I thought it better to make no remark, and

not provoke a discussion on points which may never be raised. M. Fernandez's despatch was evidently written to influence votes in the Senate.

I have, &c.
(Signed) SPENSER ST. JOHN.

Inclosure 1 in No. 89.

Sir S. St. John to Señor Fernandez.

M. le Ministre,

Mexico, September 17, 1884.

MY attention having been called to a statement in the "Nacional" to the effect that "accepted in principle by the bondholders in London the bases of the settlement proposed by M. Edouardo Noetzlin in the name of the Mexican Government, said bondholders have referred it to Earl Granville, Head of the British Cabinet, for his definitive resolution," I telegraphed to his Lordship for permission officially to deny this statement.

I have now received his Lordship's reply, authorizing me to deny officially the statement published in the "Nacional." Her Majesty's Government, in accepting Article 1 of the Preliminary Agreement, clearly understand that it in no way refers to the English debt, which the Government of Mexico have decided to settle by direct negotiations between the bondholders and themselves.

Accept, &c.
(Signed) SPENSER ST. JOHN.

Inclosure 2 in No. 89.

Señor Fernandez to Sir S. St. John.

(Translation.)

M. l'Envoyé Spécial,

Foreign Office, Mexico, September 19, 1884.

I HAVE had the honour to receive your Excellency's note of the 16th instant in due course.

In it your Excellency is pleased to notify me of your having received instructions from your Government to deny officially the statement published in the "Nacional" to the effect that the bases of an arrangement pending between the bondholders of the debt known as the London debt on one side, and M. Noetzlin, in the name of the Mexican Government, on the other, have been submitted for the definitive resolution of Lord Granville, Head of the British Cabinet.

Your Excellency also informs me that Her Majesty's Government clearly understand that Article 1 of the Preliminaries which your Excellency and I have signed on the 6th August last does not in any way refer to the London debt, which the Mexican Government has decided to arrange by direct negotiation with the bondholders.

In the enumeration, in Article IV of the Preliminaries, of the stipulations which shall have in future the character or force of a pact or Convention between both Governments, those only are specified, as your Excellency is aware, which are contained in the first paragraph of Article III and the Treaty of Commerce, if it is made, to the exclusion of Articles I and II, so that they may never be considered as a Convention, nor the credits to which they refer as a conventional or international debt.

Your Excellency's note reaches me, in reference to this point, very opportunely, since the result of the Preliminary Agreement might perhaps be jeopardized in the Senate, and later on in public opinion, if the statement that an international character had been ascribed to the London debt (such as the Preliminary Agreement does not recognize in any other credit of British subjects) were not satisfactorily denied.

For the rest, the Mexican Government reserves to itself the right to include or not the London debt in the investigation of which the 1st Article of the Preliminaries makes mention, according to the march of events.

In offering your Excellency my most sincere thanks for your courteous and opportune communication, I beg, &c.

(Signed) JOSÉ FERNANDEZ.

No. 90.

Earl Granville to Sir S. St. John.

(No. 50.)

Sir,

Foreign Office, October 15, 1884.

I HAVE received your despatch No. 37 of the 24th ultimo, inclosing copies of a correspondence with the Mexican Minister for Foreign Affairs upon the subject of the arrangement for the settlement of the Mexican debt, and I have to convey to you my approval of your action, as reported therein.

I am, &c.
(Signed) GRANVILLE.

No. 91.

Earl Granville to Sir S. St. John.

(No. 51.)

Sir,

Foreign Office, October 15, 1884.

I HAVE received your despatch No. 36 of the 15th ultimo, recording your conversation with the Mexican Minister for Foreign Affairs upon the subject of the Mexican debt, and I have to convey to you my approval of the language which you held to Señor Fernandez, as reported in your despatch.

I am, &c.
(Signed) GRANVILLE.

No. 92.

Mr. Currie to Messrs. Valpy, Chaplin, and Peckham.

Gentlemen,

Foreign Office, October 15, 1884.

I AM directed by Earl Granville to acknowledge the receipt of your letter of the 8th instant in regard to the Manning and Mackintosh claims, and I am to transmit to you, in connection with this subject, the accompanying copy of papers respecting the renewal of diplomatic relations with Mexico which have been recently laid before Parliament.*

If you refer to the Agreement concluded between the two countries—which you will find at p. 9 of the print—you will learn the mode in which it is proposed to deal with the claims.

I am, &c.
(Signed) P. CURRIE.

No. 93.

Mr. Gibson to Earl Granville.—(Received October 21.)

My Lord,

37, Bolsover Street, Portland Place, London, October 20, 1884.

I MOST humbly beg to call your Lordship's kind attention relative to the affairs of my late deceased brother, Dr. E. C. Gibson, who was murdered near Acapulco, Mexico, some years ago.

In a communication by your Lordship's direction, dated Foreign Office, 6th November, of last year, your Lordship was kind enough to promise that when the proper time arrived the claim upon the Mexican Government should meet with attention.

I now feel it my duty, and most humbly pray that your Lordship will see fit to use your powerful interest in my behalf, so that I may receive my just and lawful rights.

I believe my case was brought before your Lordship's notice some years ago by Mr. B. Stanhope, also Mr. R. Winn.

I am too poor to employ a solicitor, therefore I most earnestly pray for your Lordship's kind consideration and forgiveness in causing you so much trouble, and shall for ever feel truly grateful and thankful for your Lordship's kindness; and with every due respect I beg, &c.

(Signed) FREDERICK GIBSON.

* "Mexico No. 1 (1884)."

No. 94.

Mr. Lister to Mr. Gibson.

Sir,

Foreign Office, October 25, 1884.

I AM directed by Earl Granville to acknowledge the receipt of your letter of the 20th instant in regard to your claim on the Mexican Government, and I am to transmit to you, in connection with this subject, the accompanying copy of papers respecting the renewal of diplomatic relations between the two countries, which have been recently laid before Parliament.*

If you refer to the Agreement between Great Britain and Mexico, which you will find at p. 9 of the print, you will learn the mode in which it is proposed to deal with the claims.

I am, &c.
(Signed) T. V. LISTER.

No. 95.

Mr. A. P. Vivian, M.P., to Lord E. Fitzmaurice.—(Received November 12.)

Dear Fitzmaurice,

November 10, 1884.

WILL you please let me have some information to enable me to reply to the inclosed letter from a constituent?

Very truly, &c.
(Signed) A. PENDARVES VIVIAN.

Inclosure in No. 95.

Mr. Rabling to Mr. A. P. Vivian.

Dear Sir,

Parc Bracket House, Camborne, November 7, 1884.

HAVING seen in to-day's newspaper the question asked in the House of Commons last night by Mr. Salt as to the renewal of relations with Mexico and the consideration of the British claim, I take the liberty to ask if you can give me any information in this matter, or where I should apply for information, as I have a claim against the Mexican Government, dating from the year 1863, and is admitted by the British Consul at Mexico. I was captured by a force of the troops of Juarez who were fighting against the French and was detained for nearly three weeks, and then had to pay a heavy ransom for my release. A full account of my capture appears in the "Return" issued by the Foreign Office on the 5th July, 1881, "Miscellaneous No. 9 (1881)," a copy of which I obtained about twelve months ago.

My object in writing is to ascertain if my claim is included in the demand now made by the British Government.

I am, &c.
(Signed) WM. RABLING.

No. 96.

Memorandum by Mr. Brant respecting Mr. Rabling's Claim on the Mexican Government.

MR. W. RABLING was captured, whilst travelling to the capital (Mexico) on private business in a stage coach, by the "Guerillero," Fragoso; and a ransom of 6,000 dollars was demanded, after the payment of 3,400 dollars of which he succeeded in making his escape by the aid of Don Simon Crairoto, the Commander of the Liberal Forces, under whose protection he had placed himself on his arrival at Huanchinango.

In addition to the money paid for his ransom Mr. Rabling claimed various other sums, on account of loss of time and expenses incurred whilst making his escape, which brought the total of his claim to 4,710 dollars.

Mr. Rabling to
Consul Glennie,
November 24, 1863.
See Mexican
Archives.
Ibid., January 6,
1864. See Mexican
Archives.

* "Mexico No. 1 (1884)."

Inclosure in Mr.
Rabling's letter of
March 2, 1870.

Juarez, who styled himself "Citizen President," wrote to Colonel Frago on the 26th November, 1863, a letter (subsequently published in the "Globe" of the 1st November, 1867), ordering him to release Mr. Rabling without ransom, or, if the ransom had been paid and the prisoner released, to return the money. In this letter the men under Colonel Frago are described as belonging to the "constitutional forces." This letter does not appear, however, to have had the desired result.

Ibid.

On the 2nd June, 1865, Mr. Scarlett, in reply to a letter from Mr. Rabling, stated that he was preparing measures for the prompt settlement of all British claims, and would take care that his (Mr. Rabling's) case should receive due attention.

Ibid.

And on the 29th October, 1866, he was informed by Consul Glennie that all papers relating to his claim against the Mexican Government were to be sent to the British Consulate at Mexico, to be there kept at the disposal of the Commission which had been formed to examine British claims.

It would seem from the above that Mr. Rabling's claim was recognized as a legitimate one by the British Minister in Mexico and the British Consul at that capital, especially as his name is included in the list of claimants, regarding whom documents were sent home with the Mexican Archives.

(Signed) R. W. BRANT.

Foreign Office, November 19, 1884.

No. 97.

Sir S. St. John to Earl Granville.—(Received November 20.)

(No. 41. Confidential.)

My Lord,

Mexico, October 29, 1884.

I HAVE the honour to forward to your Lordship the ratification of his Excellency the President of the Preliminary Agreement for the renewal of relations, together with a certificate of the exchange. As these documents are in a very unusual form, I must explain the reasons for their being so.

Early last month telegrams were received from London, and published in the papers here, that the negotiations for the settlement of the English debt were in fact being carried on under the auspices of the English Government. This announcement aroused great jealousy, which found expression when the Congress met, and M. José Fernandez informed me that it was doubtful whether our Agreement would pass.

I believe that the opposition was both fictitious and factious. It had been partly set on foot by M. Mariscal's communications with his friends here; then there was a strong desire to show opposition to a most unpopular Government under cover of pretended patriotic feeling; and, lastly, many Senators were desirous that the President-elect, General Diaz, should have the credit of having renewed relations with England.

So strong did the opposition appear that M. Fernandez told me most confidentially that he feared he should have to resign. We then agreed that I should write an explanatory letter, to be shown to the Senators; and I added, in reply to an observation, that if it would satisfy the objections of the adversaries of the measure, I had no reason for opposing the publication of an explanatory correspondence, and to have it considered an integral part of the Agreement.

Wishing to satisfy myself as to the real character of the opposition, I requested Mr. Carden to see some of the influential Senators, and to show them confidentially the explanation offered. This removed all excuse for opposition, and the Agreement was ultimately passed. I have to thank Mr. Carden for the success which attended this delicate mission.

I believe that much of this opposition was due not so much to the Agreement itself as to the use which the present Government might be able to make of the renewal of relations with England in their negotiations for the settlement of the debt due to the bondholders. The unpopularity of this latter measure principally arises from the great increase of the debt (2,700,000*l.*), which amount is required, it is said, to meet the expenses of conversion. Evidently this is not the true explanation.

The Preliminary Agreement ultimately passed the Senate by a vote of thirty-nine to one, with the proviso that the explanatory correspondence should be considered an integral part of the Agreement. I had no hesitation in accepting this proposal, as it does not in any way affect the real value of the Agreement, which consists in the Article according the most-favoured-nation treatment in all matters whatsoever.

Nor does it affect in reality Article I, as the agreement to order an impartial inquiry into all British claims, and to pay the amounts already due and that may be found due; remains in its integrity, and the written explanations are only a record of the conversations which had already passed between M. Fernandez and myself.

The very difficulties which we have had to overcome have proved to me the strong under-current of friendly feeling towards England which pervades the governing class—in truth, I might add all the intelligent classes—and that the apparent opposition to the Preliminaries has been entirely a question of internal politics.

As diplomatic relations are now in fact renewed with England, I lost no time in proposing to M. Fernandez that we should commence negotiations on the Commercial Treaty as well as an Extradition Treaty, and I have this morning officially written to him on the subject.

M. Fernandez, however, having had to suffer all the abuse which a vindictive opposition to an unpopular Government could pour upon him, and having been branded as a traitor to his country, appears unwilling to undertake himself the negotiations of the Commercial Treaty, and may appoint a Plenipotentiary; but he expressed a desire to settle the Extradition Treaty himself.

I have, &c.
(Signed) SPENSER ST. JOHN.

Minutes by Sir J. Pauncefote and Mr. Bergne.

It is necessary to call attention to the terms in which the Preliminary Agreement has been ratified by the Mexican Government.

It is stated in the Protocol of exchange that Her Majesty's Government accept the terms in which the said Preliminaries had been approved by the Senate, as explained in the notes appended to the ratification, and that Her Majesty's ratification is extended to those terms.

These terms involve two important points:—

1. That the claims referred to in Article I do not comprise the bondholders' debt. This interpretation has been apparently accepted by Her Majesty's Government (see telegram to Sir S. St. John, 16th September, and despatch No. 50 to him), so that on this point there does not appear to be any objection.

2. That the settlement of the other British claims referred to in Article I is not to be considered as an International Convention or pact.

In regard to this Lord Granville has already agreed to the view that this interpretation should be disclaimed, and that although the Mexican Government are entitled to carry out the inquiry and liquidation in their own way, it will be a breach of the Convention if they omit to do so.

A draft in this sense to Sir S. St. John, in reply to his despatches Nos. 41 and 42, is therefore annexed for consideration.

J. P.

The remaining point to be considered is whether the notes containing these reservations, involving as they do important questions as to the meaning of the Agreement, should be laid before Parliament.

On the whole, I should be inclined to suggest that the Agreement should be laid as ratified, without these notes, inasmuch as correspondence is still passing with respect to their meaning; or that, as the Agreement has already been laid in correspondence, it would be more prudent to defer laying it again as a ratified instrument until these points are cleared up.

J. H. G. B.

No. 98.

Sir S. St. John to Earl Granville.—(Received November 20.)

(No. 42.)

My Lord,

Mexico, October 31, 1884.

I HAVE the honour to inclose four despatches which close the correspondence relating to the Preliminary Agreement for the renewal of relations. Those of the 22nd and 23rd refer to the vote of the Senate, while those of the 26th and 27th relate to the

wording of the certificate of exchange. As I did not consider the wording of this document of any practical importance, and remembering the difficulties of M. Fernandez's position, I accepted his project.

M. Fernandez took this occasion to write me a very flattering letter, to which I responded in suitable terms. I believe our long negotiations together have produced a feeling of mutual friendliness and confidence, which has rendered our intercourse not only agreeable but, I trust, advantageous to our respective countries.

I have, &c.
(Signed) SPENSER ST. JOHN.

Inclosure 1 in No. 98.

Señor Fernandez to Sir S. St. John.

(Translation.)

M. le Ministre,

Mexico, October 22, 1884.

I HAVE this moment received from the Secretaries of the Senate an official communication, in which they notify me that the Senate has issued with yesterday's date a Decree of the following tenour:—

"The Senate of the United States of Mexico approves the Preliminaries for the renewal of relations between Mexico and Great Britain, signed the 6th day of August of the present year by the Under-Secretary for Foreign Affairs of the Republic and the Special Envoy of Her Britannic Majesty, with the proviso that the notes exchanged between both Plenipotentiaries on the 17th, 19th, and 20th September last, which will be published with the said Preliminaries, should be considered as an integral part of this Agreement in order to define the meaning of Articles I and IV. In consequence, the examination, liquidation, and payment of the credits of British subjects will be exclusively subject to the dispositions of the laws of Mexico in regard to the settlement of the Public Debt."

If, as I do not doubt, your Excellency's Government accepts the terms in which the Senate has approved the Preliminaries, and if your Excellency is good enough to communicate the same to me officially, I will immediately proceed to prepare everything relating to the exchange of the ratifications of the said Agreement, commencing by submitting to your Excellency a project of a certificate of exchange.

Accept, &c.
(Signed) JOSÉ FERNANDEZ.

Inclosure 2 in No. 98.

Sir S. St. John to Señor Fernandez.

M. le Ministre,

Mexico, October 23, 1884.

I HAVE the honour to acknowledge the receipt of your Excellency's despatch of the 22nd instant, in which you inform me that you have received from Secretaries of the Senate a communication stating that the Senate of the United States of Mexico approve the Preliminaries for the renewal of relations between Great Britain and Mexico, signed on the 6th August of the present year, on the understanding that the communications of the 17th, 19th, and 20th September, exchanged between your Excellency and myself, explaining the meaning of Articles I and IV, should form an integral part of said Agreement, and that these despatches and the Preliminary Agreement should be published together, and that the examination, liquidation, and payment of all the claims of British subjects should remain exclusively subject to those Mexican laws which regulate the Public Debt.

As the despatches referred to in the preceding paragraph explain the meaning which Her Majesty's Government have always attached to Articles I and IV of the said Preliminary Agreement for the renewal of relations between Great Britain and Mexico, Her Majesty's Government accept the terms in which the Senate has approved the Preliminaries as contained in your Excellency's despatch of yesterday's date.

As the ratification of the Preliminary Agreement by Her Majesty the Queen has arrived, I shall be prepared to make the exchange of the ratifications whenever it may suit your Excellency's convenience.

Accept, &c.
(Signed) SPENSER ST. JOHN.

Inclosure 3 in No. 98.

Señor Fernandez to Sir S. St. John.

(Translation.)

M. le Ministre,

Mexico, October 26, 1884.

AS I had the honour to announce to your Excellency in my note of the 22nd instant, I now take the opportunity to forward a project of a certificate of exchange of the ratifications of the Preliminaries which it fell to the fortune of your Excellency and of myself to sign on the 6th August last.

I flatter myself with the hope that your Excellency will find nothing objectionable in this project, and if this prove to be the case, I request you to be good enough to forward me a translation in English in order that the certificate of exchange may be written in both languages.

This is probably the last official note which I shall have to address to your Excellency before putting the final seal to the negotiations which our Governments confided to us, and I cannot lose so opportune an occasion to manifest to your Excellency my sentiments with respect to Her Britannic Majesty's Special Envoy.

It is my profound and sincere conviction that the tact and the prudence shown by your Excellency, no less than the attentive study which you have made of this country and of its condition, of its Government and of its convictions and views, have been an element which has been the principal foundation of the happy termination of these negotiations.

I much doubt whether any other person, wanting in the qualities shown by your Excellency, and placed in different conditions from those in which your Excellency has so judiciously known how to establish himself by means of observation and quiet study, would have been able to arrive at so happy a result.

Accept, &c.

(Signed)

JOSÉ FERNANDEZ.

Inclosure 4 in No. 98.

Sir S. St. John to Señor Fernandez.

M. le Ministre,

Mexico, October 27, 1884.

I HAVE the honour to acknowledge the receipt of your Excellency's despatch of the 26th instant, inclosing a form of a certificate of exchange of the ratifications, which you express a hope may meet with no objection on my part.

I have carefully examined it, and it appears exactly to meet the circumstances of the case, and I therefore accept it as it stands. I inclose a translation.

I have very sincerely to thank your Excellency for the flattering and friendly manner in which you have referred to my efforts to bring about a renewal of relations between our respective countries.

Her Majesty's Government, though fully aware of the firm stand which your Excellency has always taken whenever you considered that the interests of your country were involved, and your scrupulous care to eliminate from every proposal any terms which could be considered to militate against those interests, have always desired me to take the first possible occasion to thank your Excellency for the considerate and friendly manner in which you have carried on these negotiations now so happily brought to a termination.

Your Excellency will permit me again to thank you for the very flattering communication of yesterday's date, and to express my belief that the renewal of relations between Mexico and Great Britain will be equally advantageous to both countries.

Accept, &c.

(Signed)

SPENSER ST. JOHN.

No. 99.

Earl Granville to Sir S. St. John.

(No. 60.)

Sir,

Foreign Office, November 25, 1884.

I TRANSMIT herewith a copy of a letter from Mr. A. P. Vivian, M.P.,* inclosing an application from Mr. Wm. Rabling, who has a claim against the Mexican Government, requesting to be informed whether that claim will be included with those of other British subjects to be investigated under Article I of the Preliminary Agreement of the 6th August last.

A copy is also inclosed of the Parliamentary Return referred to by Mr. Rabling,† as well as of the reply returned to Mr. Vivian,‡ and of a Memorandum on the case drawn up in the Librarian's Department of this Office.§

I request that you will ascertain and report to me when and in what manner the Mexican Government propose that the investigation with respect to the claims of British subjects provided for under the Preliminary Agreement of the 6th August last shall take place.

I am, &c.

(Signed) GRANVILLE.

No. 100.

Mr. Lister to Mr. A. P. Vivian, M.P.

Sir,

Foreign Office, November 25, 1884.

IN reply to your letter of the 10th instant in regard to Mr. Wm. Rabling's claim against the Government of Mexico, I am directed by Earl Granville to state to you that inquiries will be made respecting the investigation which is to be instituted into British claims against that country under the Preliminary Agreement of the 6th August last; and that as soon as Her Majesty's Government are informed as to the time when and the manner in which the Mexican Government propose that the investigation shall take place a notice of the arrangements decided on will be inserted in the "London Gazette."

I am to forward herewith a copy of the papers on the subject which have been laid before Parliament this Session.||

I am, &c.

(Signed) T. V. LISTER.

No. 101.

Mr. Fuller to Sir J. Parncefote.—(Received November 29.)

Sir,

*Thatched House Club, St. James' Street,
November 28, 1884.*

I HAVE the honour to inclose herewith documents relative to the claim of my late father, Mr. Thomas Fuller, on the Mexican Government for the embargo of his property by the troops of General Puablita in the month of November 1857.

I have, &c.

(Signed) THOS. FULLER.

No. 102.

Mr. A. P. Vivian, M.P., to Lord E. Fitzmaurice.—(Received December 4.)

Dear Fitzmaurice,

*26, James Street, Buckingham Gate, S.W.,
December 3, 1884.*

WILL you please have the inclosed from Captain Rabling duly considered, and let me hear the result. It seems a very clear case for compensation, and I sincerely trust something may be done for him.

Yours, &c.

(Signed) A. PENDARVES VIVIAN.

* No. 95.

§ No. 96.

† "Miscellaneous No. 9 (1881)."

‡ No. 100.

|| "Mexico No. 1 (1884)."

Inclosure in No. 102.

Mr. Rabling to Mr. A. P. Vivian, M.P.

Dear Sir,

Parc Bracket House, Camborne, December 1, 1884.

I AM extremely obliged to you for the trouble you have taken in the matter of my claim against the Government of Mexico, and now beg to thank you for your letter to hand this morning, with the two inclosures.

I cannot see how it can be possible that my claim can be ignored in the proposed investigation, as it was accepted by the Consul at the city of Mexico at the time, and afterwards by Her Majesty's Minister to that country, as a "good British claim." My captor was an active Colonel in the service of Juarez, the then President of the country, at the time of the invasion of the French. I was travelling in a stage coach to the city of Mexico, when I was arrested by Colonel Fragoso and taken to the woods, his only reason being that he wanted money to support his troops there, about 500 men. After nineteen days' arrest I was liberated by paying the ransom, receipt for which was given me by the Commander of the troops, which, with all the other vouchers, I lodged with Mr. Glennie, Her Britannic Majesty's Consul. Juarez, on hearing of my arrest, at once sent an official letter to Fragoso demanding my immediate release. I have by me a copy of the President's order, which appeared in the "Diario Oficial" of the time, which plainly shows that Juarez disapproved of my capture.

I must apologize for trespassing so long on your valuable time, and again most sincerely thanking you for the action you have taken in this matter, I remain, &c.

(Signed) WM. RABLING.

No. 103.

Mr. Lister to Mr. Fuller.

Sir,

Foreign Office, December 4, 1884.

YOUR letter of the 28th ultimo, with its inclosures, respecting your claim against the Mexican Government, has been laid before Earl Granville.

In returning you these inclosures I am directed by his Lordship to state to you that inquiries will be made respecting the investigation which is to be instituted into British claims against that country, under the Preliminary Agreement signed at Mexico on the 6th August last; and that, as soon as Her Majesty's Government are informed as to the time when, and the manner in which, the Mexican Government purpose that the investigation shall take place, a notice of the arrangements decided on will be inserted in the "London Gazette."

I am to forward herewith, for your information, a copy of the papers on the subject which have been laid before Parliament this Session.*

I am, &c.

(Signed) T. V. LISTER.

No. 104.

Earl Granville to Sir S. St. John.

(No. 61.)

Sir,

Foreign Office, December 8, 1884.

I HAVE received your despatches No. 41, Confidential, and No. 42 of the 29th and 31st October, in which you forward the Mexican ratification of the Preliminary Agreement of the 6th August, 1884, the Protocol of exchange, and copies, included in the ratification, of the notes which have passed between yourself and Señor Fernandez respecting the interpretation to be assigned to Articles I, II, and IV of the Agreement.

As the exchange of ratifications thus effected is recorded in terms which were not contemplated by Her Majesty's Government, and as it is further stated in the Protocol of exchange that "Her Majesty's Government have accepted the terms in which the Senate had approved the said Preliminaries, and that therefore the ratification of Her Majesty the Queen, although it was not so expressed, is, and ought to be, considered as extended to the terms in which the Mexican Senate approved the Preliminaries," it is necessary that I

* "Mexico No. 1 (1884)."



